



FAIR HOUSING RIGHTS CENTER IN SOUTHEASTERN PA

FHIP-PEI Testing Program Deliverables

Year 3 – August 15, 2023 to August 14, 2024



1. FHRC Year Review

The Fair Housing Testing Program at the Fair Housing Rights Center in Southeastern PA began Year 3 of this FHIP-PEI grant comfortable in hybrid working conditions with established guidelines and protocols to make the testing program successful. The Testing program is managed by the Director of Testing Services (DTS), Nick Manai.

In Year 3 of the grant, FHRC continued to make complete sight visits for all D&C tests. This meant going in person to measure and scout, not only the outside of the buildings, but also go on a tour with a representative of the building and measure inside the units. This protocol was changed in Year Two, with the Testing Coordinator focusing not only on the external features of

a building, but also entering inside to test features of multiple buildings for Design and Construction violations. Violations of this sort were found on the interior of six buildings. Some of these sites were owned by the same company and make up one particular complaint, others were for specific purposes and may have been buildings whose Certificate of First Occupancy meant that FHRC could not file a complaint but could use testing to assist a consumer. These tests also led to enforcement activities. Accessibility surveys were completed on qualifying properties within FHRC's service area, focusing on externally visible features and specific features within the properties as could be accessed without interacting with too many individuals at the properties.

FHRC was able to complete all of the audit and complaint-based/systemic rental tests, Design and Construction Accessibility surveys, Lending and Sales testing negotiated under this contract. FHRC completed thirty-six (36) complaint-based/systemic correspondence rental test parts, forty-eight (48) audit correspondence rental test parts, three (3) design and construction accessibility surveys, twenty (20) lending test parts, and ten (10) sales test parts. All the rental, sales, and lending tests were completed using a correspondence/phone methodology. In total, FHRC conducted one hundred and fourteen (114) test parts throughout Year 3 and three (3) surveys.

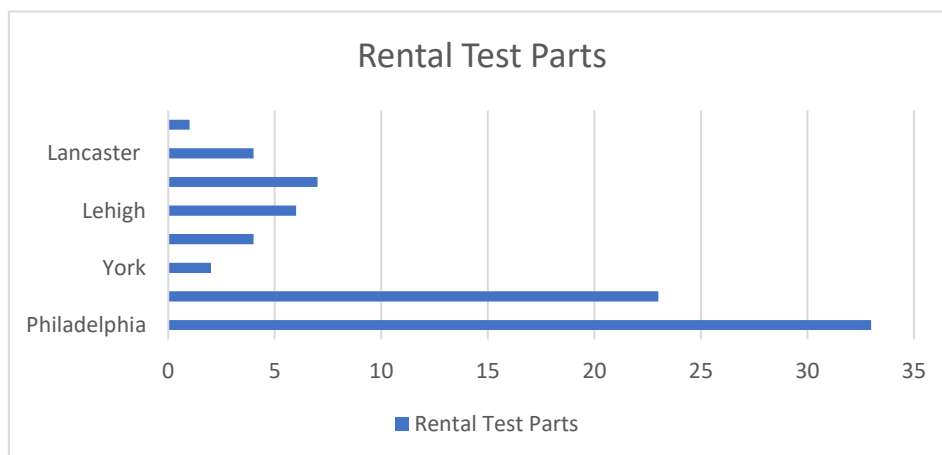
Most of the testing conducted throughout Year 3 was based on race, national origin and disability. All national origin tests this year were with testers of Hispanic/Latinx descent while all race tests were with African American/Black testers. FHRC does see most of its complaints coming from consumers who are Black, Latinx, or self-report having a disability.

2. Trends Report

a. Rental Testing

Throughout Year 3 of this FHIP-PEI grant, FHRC conducted a total of eighty-four (84) investigative rental test parts. FHRC completed thirty-six (36) complaint-based/systemic correspondence rental test parts and forty-eight (48) audit correspondence rental test parts.

FHRC completed a total of thirty-three (33) rental investigative test parts in Philadelphia County, twenty-three (23) in Montgomery, six (6) in Lehigh, four (4) in Delaware, four (4) in Lancaster, seven (7) in Bucks, two (2) in York, and one (1) in Berks counties.



These rental audit and systemic/complaint-based investigations were conducted on the bases of the protected classes of race, national origin, sex, familial status, and disability discrimination. Guidance from HUD also supported Philadelphia's own law that prohibits discrimination against source-of-income. Although the passage of the Fair Housing Act and its subsequent amendments have made any form of discrimination in housing illegal for these protected classes, instances of housing discrimination continue to persist in FHRC's service area. Through the execution of testing, FHRC has found differences in treatment between a Control Tester (Caucasian Male or Female) and Protected Class Tester within various properties and counties tested. Information gathered through testing practices as well as intakes received have shown that those fundamental rights that should be protected by the Fair Housing Act are still being violated across the region.

In analyzing the outcomes of FHRC's investigations, trends in the type of discrimination that occurred has been observed. Among these acts of discrimination, some continue evidence seen in prior years, including: the fact that Control Testers were frequently provided much more detailed information about units and properties; in-person tours were offered to the Control Tester, but the Protected Class Tester was not told about their availability; Control Testers were asked for their contact information and received follow-up communications while Protected Class Testers were not; Protected Class Testers were informed of more intense background and credit check processes; fewer apartments were made available to Protected Class Testers. Additionally, rental prices, costs of security deposits, and specials available often differed between Control Testers and Protected Class Testers. Often Protected Class Testers were simply told to find their answers and more information online instead of having any questions answered by the Agent/Representative over the phone while their Control Tester counterparts were able to have a full discussion and obtain detailed information.

FHRC also found widespread disregard for Philadelphia's law against discrimination against source of income with housing providers telling prospective renters that they do not accept vouchers, hanging up on testers when they mentioned vouchers and also obscuring their intent by repeatedly telling testers over a long period of time that they haven't been accepted into the Philadelphia Housing Authority's voucher program.

Some examples of what FHRC has seen throughout the service area include:

Site Example 1:

The Protected Class Tester (PCT) was denied the ability to rent an apartment at the location and was told that her emotional support animal would not be allowed at any of the management company's other locations. Testing revealed there were other locations with vacancies, but these were not mentioned to the PCT.

Site Example 2:

The PCT was unable to rent an apartment from the agent because her monthly SSI required her to use her daughter as a co-signer. Testing discovered that there was discrimination based on disability status through her source of income.

Site Example 3:

The PCT was required to have documentation for her emotional support animal because it was a dog and was told that if it was a cat, the cat would be allowed without documentation.

Site Example 4:

Both testers, posing as renters with a family of five, were told about a 2-bedroom unit available for rent and the attending amenities and application process. Testing discovered that there was difference of treatment for a Middle Eastern consumer.

Site Example 5:

The PCT (Black female) was told about an income to debt ratio and a criminal background check that the Control Tester (CT) (white female) was not told about. The CT was also told that a co-signer or guarantor was possible if she was denied and the PCT was not told about that.

Site Example 6:

The tester's online application was denied after they answered "No" to a question asking if their name was on the deed of the property. A CT and PCT both spoke with a representative from the BSRP and were both told that having a Tangled Title is a disqualification from the program and would prevent them from submitting an application for the home repair program. FHRC found this action had a disparate impact on Black and Hispanic residents of the program's service area.

Site Example 7:

Both testers spoke with an agent from the location and were told that there were available housing units and were offered tours. Both testers then asked about using an HCV and were told that they were not accepted. The PCT was hung up on when she mentioned the voucher.

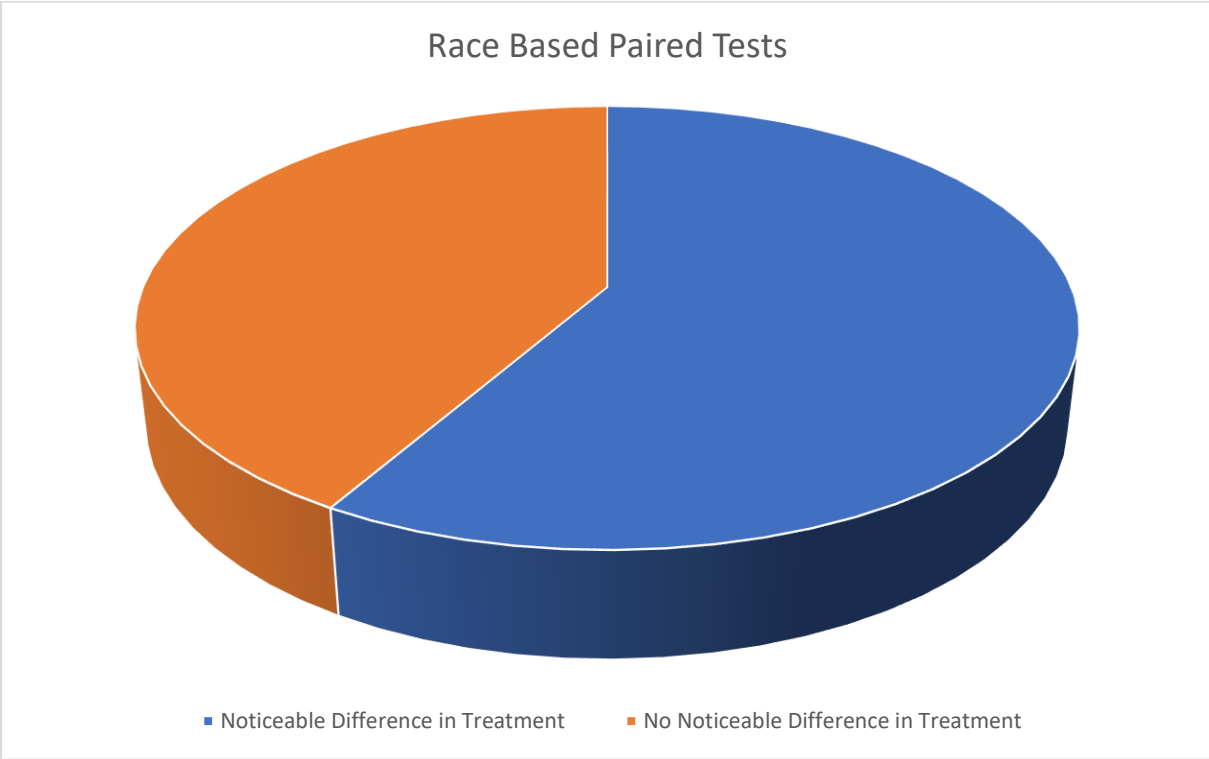
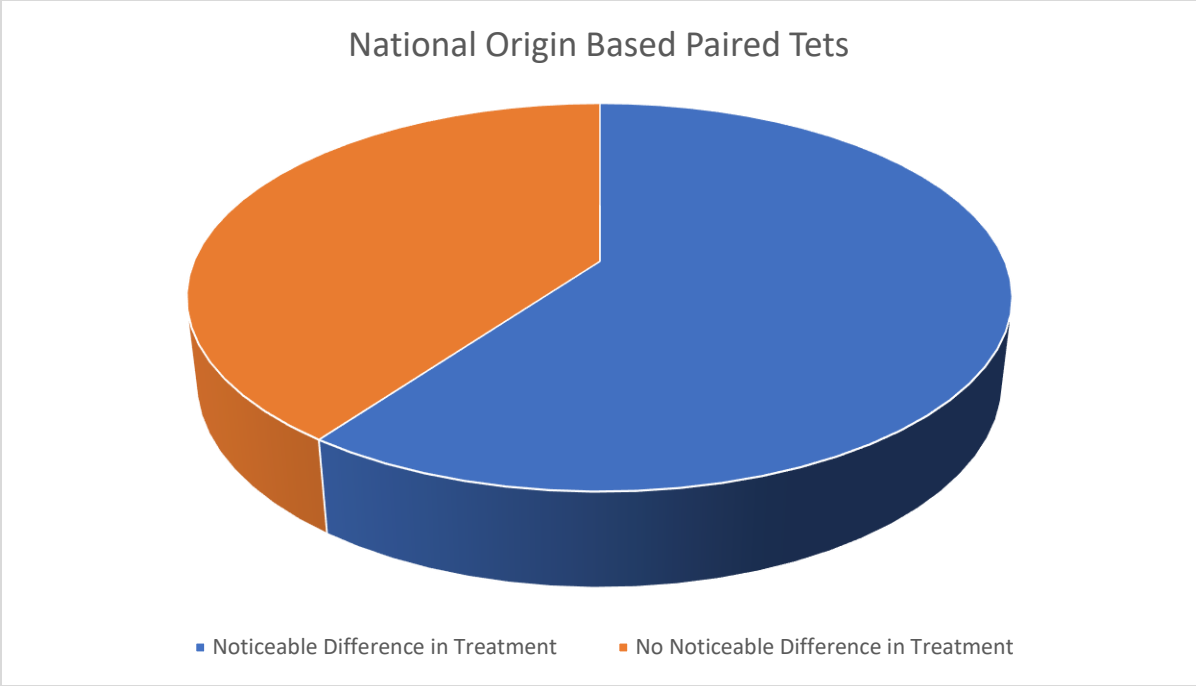
Site Example 8:

Both testers spoke with an agent from the location and were told about open units, but the PCT was told that no housing vouchers were accepted.

Site Example 9:

Both testers were told about available units at the location and then were told that they do not accept Housing Choice Vouchers.

The majority of instances in which differences in treatment or blatant forms of discrimination were noted were in tests of race, disability and source-of-income. All race tests involved a White Control Tester and Black Protected Class Tester. Disability Tests involved a Hearing Tester and a Deaf Tester using Relay Service, but also testers asking about accessible parking spaces and other accommodations. FHRC also identified discrimination due to Source of Income and voucher use as a part of rental-based correspondence testing in Year 3.



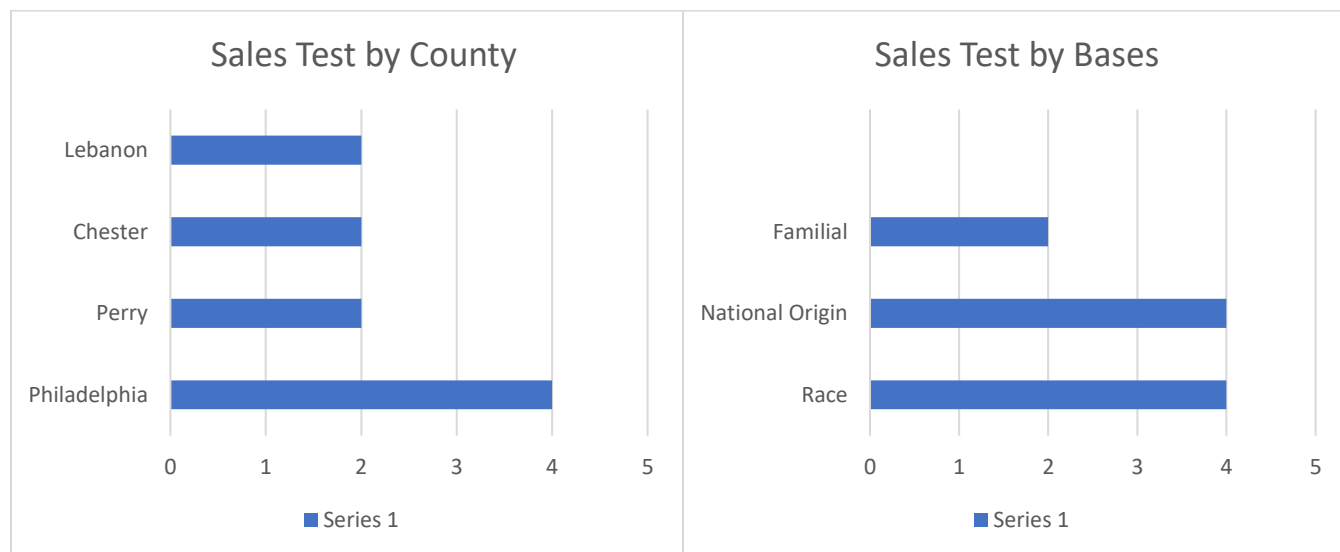
b. Design and Construction Accessibility Surveys

FHRC conducted three (3) design and construction accessibility surveys and found possible violations with two of the complaint-based accessibility tests. Testing was used in each case for

the consumer. The DTS also found possible violations at a new construction site as a part of an audit test and forwarded prepared that information for an enforcement action. FHRC's DTS has forwarded all accessibility survey findings to the Director of Client Advocacy (DCA) and CEO for further review, investigation, and possible action.

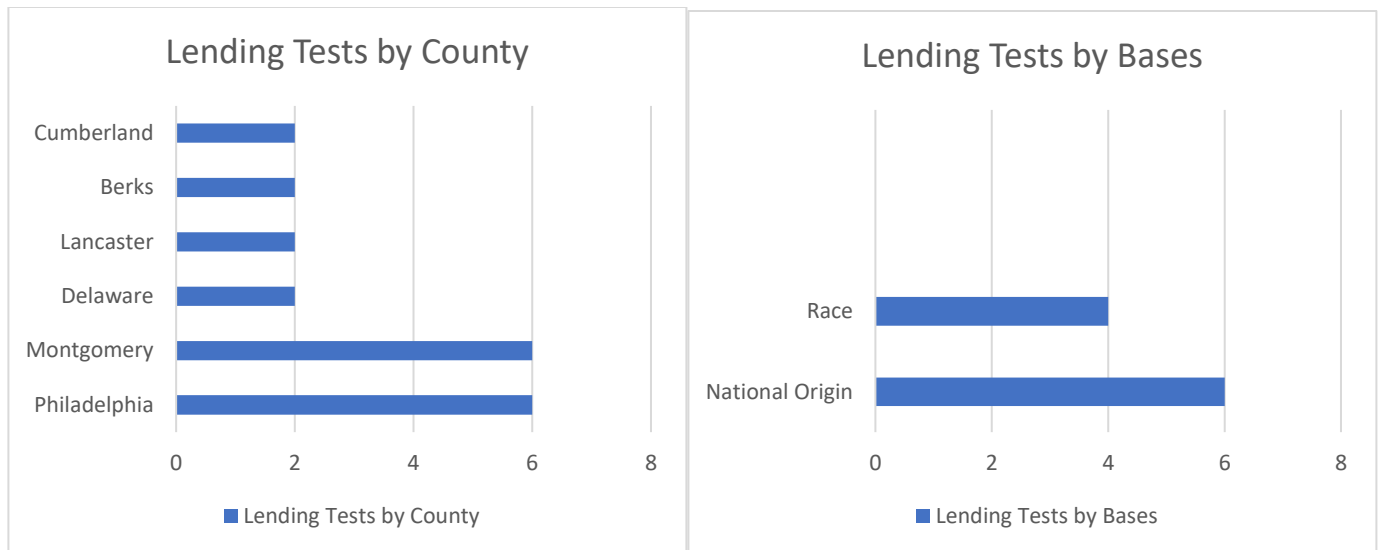
c. Sales Testing

FHRC conducted ten (10) sales investigative test parts throughout Year 2. Four (4) of these were conducted in Philadelphia County, two (2) Chester County, two (2) in Lebanon County, two (2) in Perry County. Of these, four (4) were conducted on the basis of race, four (4) on the basis of national origin and two (2) on the basis of familial status. Through this testing, FHRC was able to better understand a very volatile sales market. Further, as Philadelphia is about to see area property taxes increase substantially, this testing will greatly help FHRC monitor areas where longtime homeowners may be forced to sell.



d. Lending Testing

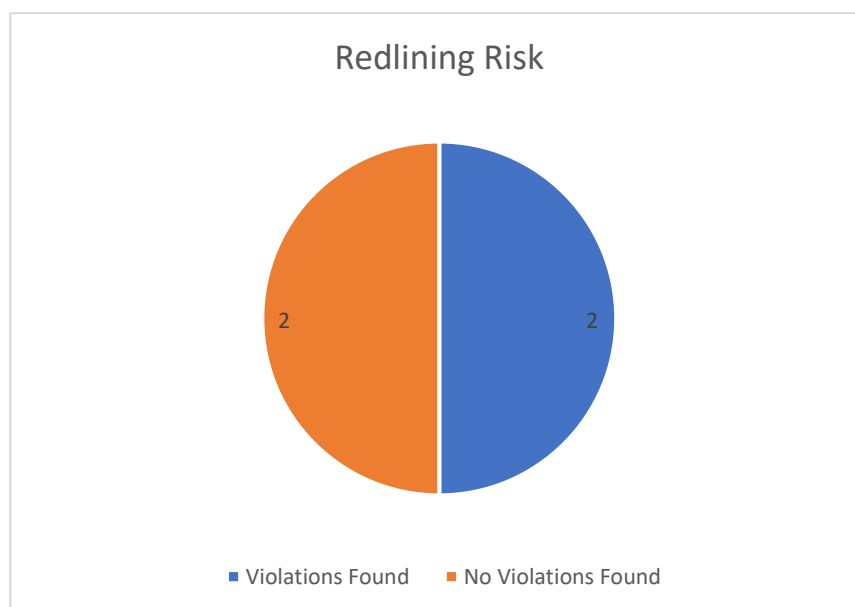
FHRC conducted twenty (20) lending investigative test parts throughout Year 2. Six (6) of these were conducted in Philadelphia County and six (6) were in Montgomery County. Two (2) were in Delaware County, two (2) in Lancaster, two (2) in Berks, and two (2) in Cumberland. Of these, ten (10) were on the basis of national origin, six (6) were on the basis of race and two (2) on the basis of sex. These tests greatly helped the DTS understand the lending market and helped him to fashion four (4) redlining investigations in this program year. Lending investigations during Year 2 were also impacted by the state of the real estate market. Most lenders want to immediately run credit checks and obtain detailed financial information to provide a pre-qualification as quickly as possible. Additionally, most communication for pre-qualification takes place over online applications and it has proven difficult at times to speak directly with a lender over the phone. Even when a tester may speak directly with a lender, they are often referred to the online platform to obtain more information.



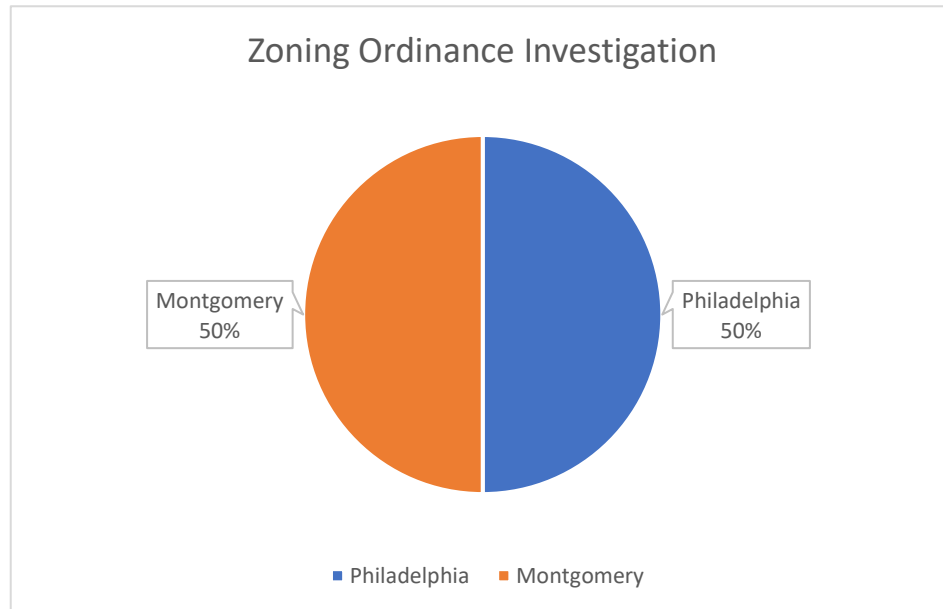
The DTS will continue to work with the Director of Enforcement to review many of these tests that indicated a difference in treatment or clear discrimination to determine the next steps and what actions will be taken by FHRC. FHRC will continue to investigate housing discrimination in the rental market as well as other aspects of the housing market within the next FHIP-PEI grant period.

3. Investigations

- a. FHRC utilized the National Fair Housing Alliance’s Redlining Toolkit to conduct four (4) investigations of banks or mortgage lending institutions in the service area. These investigations were used to strengthen HRC’s lending testing practices. These tests turned up 2 lenders who pose a High Redlining Risk and were therefore found to be in violation of Fair Housing Laws.



- b. FHRC conducted **two (2)** investigations into zoning ordinances in neighborhoods in its service area. These investigations were done in the 2nd and 4th Quarter. These investigations have led to a better understanding of housing trends in these neighborhoods and informs the way the TC structures tests and allocates resources within the service area.



4. Conclusion

FHRC was able to accomplish or exceed the testing-related goals for Year 3. Another very productive area is source-of-income testing in Philadelphia. As this is the only county in FHRC's service area that has source-of-income protection, FHRC cannot expand this area of inquiry, but does plan on continuing to focus on testing in this way in the next program year. The DTS aims to work closely with the DCA to ensure proper action is taken in tests that have raised issues of discrimination. In subsequent FHIP-PEI grant years, FHRC hopes to continue to grow the Testing Program and its investigation program, so as to be able to hold landlords and banks to the standards of the Fair Housing Act.