

**INTERFAITH  
HOUSING  
CENTER  
OF THE  
NORTHERN  
SUBURBS**

April 13, 2010

For the U.S. Submission to the United Nations Human Rights Council:

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One Deerfield Place  
Skokie Human Relations Commission

I am pleased to provide testimony on behalf of the Interfaith Housing Center of the Northern Suburbs on the nature and extent of illegal discrimination in the rental and sales housing markets and what we believe remains to be done to permanently end discrimination.

Interfaith, founded in 1972 and with roots dating back to the Civil Rights Movement, is the Chicago area's only grassroots and faith-based fair and affordable housing advocacy organization. To achieve an open and economically diverse housing market, Interfaith provides direct service to persons with housing needs through fair housing discrimination investigation, foreclosure prevention and anti-predatory lending counseling, landlord/tenant advice, and the facilitation of Homesharing matches; and acts as the primary north suburban organizer and advocate for the preservation and expansion of fair and affordable housing.

In over 16 years as Executive Director of Interfaith, I have supervised six HUD-funded enforcement initiatives, three education initiatives, and co-implemented the Chicago portion of the National Housing Discrimination Study with HOPE Fair Housing Center in 2000. Interfaith's enforcement initiatives include conducting complaint-based and audit testing of the sales, rental, lending, and senior housing markets for all legally protected classes. When discrimination is found, we take enforcement action with HUD or other bodies.

**Demographic Summary of Chicago's Northern Suburbs**

Interfaith sixteen-community northern Cook and southern Lake County service area borders Chicago, with a population of approximately 430,000. This "North Shore" area encompasses some of the greatest private wealth in the nation, with average home prices in four communities exceeding \$1 million, and is home to corporate headquarters such as Kraft and Allstate. There are more jobs in the "Edens Expressway Corridor" than in downtown Dallas. The area has also become the "new Ellis Island," as a home builder phrased, with immigrants from around the world taking root throughout the area. Although the number of persons of color doubled between 1980 and 2000 to over 20% of the population, outside the City of Evanston (the area's largest suburb at over 70,000 people and home to Northwestern University), the remaining area remains *only 1%* African-American.

The following provides a broad-brush summary of manifestations of discrimination in the rental and sales markets in the northern suburbs:

1. **Suburbs tend to discourage the building of new housing for families with children.** For example, Glenview and Northbrook created "Development Principles" for 41-acre former Culligan site specifically stating "no rental housing," "no affordable housing," and a preference for no children: "The development will be evaluated on its ability to increase



tax revenues, with minimal impact on area schools. If residential uses are proposed, the development proposal will need to discuss the potential for school-age population by product type.” This is typical. Since at least 80% of all local school funding in Illinois comes from local property taxes, municipalities seek maximum tax revenues and the fewest service expenditures.

2. **Discrimination against families with children and people with disabilities is practically endemic in condominiums, cooperatives, and townhome associations.** Interfaith worked with John Marshall Fair Housing Legal Clinic on a case against a 97-unit cooperative along the Lake in Wilmette which had a stated no-children policy even though it was not a HOPA, senior-designated building. All residents were not only over 55 years of age but over 70, and it was clear that decades of de facto discrimination created this pattern. The poor regulation of homeowners associations has contributed to fair housing discrimination, particularly regarding reasonable accommodations or modifications for those with disabilities. In Illinois, there are no educational requirements for homeowners associations, which many times leads to unintentional discrimination by board members who think they know the law, or what is best for the community at large.
3. **Local governments do not look at fair housing impacts of seemingly unrelated regulations.** For example, in 2008, the Village of Skokie decided to ban on-street parking by taxis, on par with its commercial vehicle rules. But this had a disparate impact on Muslims and Pakistanis who predominate as cab drivers and who would have been forced to move from Skokie had a fair housing outcry not ensued.
4. **Latinos are discriminated against both on based on national origin and familial status.** Interfaith filed a complaint last September with HUD against Morningside Equities Inc, a large commercial and residential developer that recently bought the largest rental housing complex in Highwood, Northshore Estates. Morningside’s decision to tear down and not replace an existing playground on the property, coupled with advertising to “new families”, “empty-nesters”, and “young professionals”, created an unwelcoming atmosphere for families. We are alleging that their “qualification criteria” for the new units are designed to discriminate against immigrants. Nearly 100% of the population of the 252-unit complex is Hispanic in a white sub-region.
5. **The lack of affordable housing is a fair housing issue.** Interfaith was actively involved in the push for the 2004 Affordable Housing Planning and Appeal Act, a state law that requires municipalities with less than 10% affordable housing to deliberately increase their stock. Eleven of Interfaith’s sixteen communities have fewer than 10% affordable housing and the affordable housing that does exist is generally placed in racially segregated or lower-income areas, rather than interspersed throughout the community. Suburbs are resisting this law.
6. **Racial discrimination persists in sales, particularly through steering.** In recent tests conducted by Interfaith, two matched-pair audits of the same well-established real estate firm in which both testers saw the same agents, the agents made steering comments to Black testers, encouraging them to look at Evanston because of its “diversity.” In both cases, the Black testers asked for homes in predominantly white and affluent suburbs but were not shown homes in those areas, in contrast to the White testers. In one case, an agent made a comment to a Black tester that Wilmette schools were better than Evanston’s because with diversity, the Evanston schools needed to cater to with the “lowest common denominator.” Generally, Black testers are shown fewer homes, have returned fewer phone calls returned, and have units shown well under their price range of Whites.
7. **With a rental market dominated by on-line ads, discriminatory language is pervasive.** More rental units are coming onto the market in this economy. These units consist of individual homeowners that are looking to rent out their house or condo, but are often uneducated on fair housing. Consistently, Interfaith finds advertisements that include such discriminatory texts as “not ideal for small children”, or descriptions of condo buildings as “ideal for empty-nesters”. Along with more sales units being rented out, many licensed real estate agents have moved into the rental market. Surprisingly, Interfaith has seen

more inappropriate (by agent licensing standards) comments made by these agents than by individual homeowners or rental management companies. In a test of a real estate agent showing a rental home in Highland Park, the agent told a White tester that he should stick to looking at homes in Winnetka, Highland Park, Kenilworth, and Glencoe. The agent stated that you couldn't pay him enough to move to Evanston or Wilmette because half those towns are "ghettos". In another test an agent marketing a rental unit, the agent made discouraging statements to a tester posing as a mother with children because the owner had "put a lot of care" into fixing up the unit and did not want children to damage the unit.

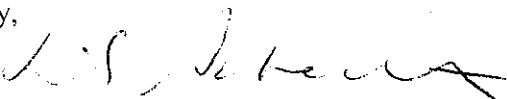
## Conclusion

Interfaith is pleased to provide these broad recommendations with regard to fair housing enforcement. Generally speaking, Interfaith would strongly recommend that:

- Antipathy to affordable housing or lower income households should be seen as a fair housing issue. There have been efforts in other parts of the country, most notably in Westchester County, NY, to link anti-affordable housing sentiment to racial discrimination, because of the disparate impact against Blacks and Hispanics who earn less than whites. The same can be said of all protected classes. The Federal government needs to do a better job of ensuring that communities further fair housing as an unconditional requirement.
- Illinois' over-reliance on the property tax for public school funding – ranking 1<sup>st</sup> nationally – should be eliminated. This situation has contributed to a reality in which the quality of one's education correlates with zip code. And it further discourages communities from promoting affordable housing and housing for families with children. Several local civil rights organizations are suing Illinois to change the school funding mechanism, charging disparate impact based on race. There may even be evidence of discriminatory intent when the funding formula was created in the early '70s.
- The Housing for Older Persons Act (HOPA) should be revisited. Familial status discrimination in housing complexes that consider themselves to be "senior-only" but do not follow HOPA requirements to call themselves such, can gain HOPA status without having to pay restitution for their past discriminatory actions.
- Government entities should regularly conduct "fair housing impact reviews" (similar to environmental impact statements) of proposed regulations to avoid situations as the one mentioned above in Skokie.
- Real estate agents must be held to the same standards of treatment and behavior in the rental market as they would be in the sale market. Agents should be required to attend fair housing training in order to obtain a license, and should also be expected to attend refresher trainings.
- Information on fair housing advertising laws should be made readily available to individuals looking to rental or sell their home or condo.
- Homeowners associations and condo boards should be required to receive fair housing education at the time of election, and all their agents as well.

Please feel free to contact me at (847) 501-5762, ext. 406 or [gail@interfaithhousingcenter.org](mailto:gail@interfaithhousingcenter.org) for further information. Thank you in advance for your action on these pressing items. Without making equal housing opportunity a top priority, we will continue to fail our national promise of justice for all.

Sincerely,



Gail Schechter  
Executive Director