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Into the Future: An Investigation into Public/Private Partnerships, Property Development Strategies, and Fair Housing Procedures

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Into the Future:

An Investigation into Public/Private Partnerships, Property Development Strategies, and Fair Housing Procedures

for the
GREATER IOWA CITY HOUSING FELLOWSHIP

Field Problems in Planning 102:215

Ray Keller
Lisa Schweitzer
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EXECUTIVE SUMMARY

The Administrator and members of the Board of Trustees of the Greater Iowa City Housing Fellowship had expressed interest in increasing tenant and board involvement in the GICHF, community education and awareness, the number of units available to low-income persons, and collaborations with other organizations. In addressing these problems, this report focuses on public-private partnerships, alternative housing organizations, and Fair Housing Laws. The methodological approach was an extensive literature review with case studies. The discussions and recommendations represent a compilation of the authors’ reviews of the literature and case studies.

Public-Private Partnerships

As nonprofits continue to expand their efforts to meet the needs of low-income persons, they find they need more information and resources to aid them. Public-private partnerships may be one source of that aid. Arrangements with two or more of the types of partners discussed below may provide assistance with land acquisition, equity investment, service provision, technical problems, and neighborhood opposition, among others.

Local governments can provide assistance to a nonprofit housing developer in many different ways: land acquisition, regulatory incentives which will encourage the use of existing land for affordable housing, and coordination of financing. Something that the City could do which would aid the Housing Fellowship in its search for developable land is to pass an inclusionary zoning ordinance. Inclusionary zoning ordinances may be voluntary or mandatory and involve setting aside a designated percentage of the housing being developed for low- to moderate-income households. Other regulatory measures that the City may use, possibly in conjunction with an inclusionary zoning ordinance, include density bonuses, decreasing site development standards, regulatory incentives and waiving fees associated with development. These measures are all used to decrease the costs of developing affordable housing.

Private partners may play many roles in the development of affordable housing. Some of these include the provision of equity financing through the use of the Low Income Housing Tax Credit (LIHTC), or the provision of other funding in the form of loans or grants. Nonprofit entities working together may also combine resources for the provision of housing and other services. Nonprofit partners may assist the Housing Fellowship by assembling necessary funding sources. They may also provide technical assistance for the development of affordable housing. Additionally, nonprofit social service providers can provide complementary services for GICHF tenants.

In arming itself against opponents of affordable housing, those associated with the Housing Fellowship and others interested in the provision of affordable housing will need to be as informed as possible. It will be important to be able to combat the NIMBY arguments with information that demonstrates where the arguments break down.
Alternative Housing Organizations

In response to reduced support and involvement from the federal government in dealing with local problems, local organizations have developed to address their particular concerns, taking organizational forms that best enable the groups to function. Though these organizations have taken numerous shapes, sizes, structures, and focuses, they have often developed as variations of one (or more) of four basic forms of organization: community land trusts (CLTs), mutual housing associations (MHAs), housing trust funds (HTFs), and community development corporations (CDCs). Local circumstances, such as the particular needs of the community, the available resources, and the level of interest and/or dissatisfaction with the existing situation, usually dictate what type of organization forms and what the focus will be.

The community land trust (CLT) acquires land through purchase or donation with an intention to retain title in perpetuity, thus removing the land from the speculative market. The land is then leased to individuals, families, cooperatives, community organizations, and businesses. CLTs have great flexibility in developing multi-family buildings and organizing the units into cooperatives, condominiums, or straight rental properties.

Assuming that land will be made available in the Iowa City area for all types of development, a community land trust (CLT) structure may prove useful to GICHF in the foreseeable future. Since acquiring land for the development of affordable housing is particularly difficult, the creation and use of a CLT in the acquisition process would allow GICHF to effectively remove the land from the speculative development market. By removing the land immediately from the speculative market, it may be more affordable for GICHF to develop. Other organizational structures, such as the housing trust fund, the mutual housing association, and the community development corporation, may better suit GICHF at a later time.

Fair Housing Laws

Fair Housing laws require that all clients are treated equally. Because GICHF’s mission is to provide housing to low income persons, GICHF procedures must be flexible enough to meet tenants’ needs. GICHF can establish written standards for application rejections, standardized procedures for application and security deposit management, and an internal grievance procedure.

The Fair Housing Act, in one sentence, states that “access to housing and equal housing services, may not be denied BECAUSE OF race, color, creed, sex, religion, national origin, physical/mental disability/handicap, or familial status/presence of children.”

According to the law, advertising for the sale or rental of a dwelling may not state a preference for any person or state an intention to exclude any person because of the person’s protected characteristics. However, specifically marketing to low income households is allowable because of the social benefit of affordable housing.
Even though GICHF takes client referrals from social work agencies and does little marketing, the organization may benefit from careful consideration of the image it portrays in its brochures and other forms of advertising. In addition to written advertising, the Fair Housing Act forbids the practice of “steering” clients when marketing the units. Steering is the practice of discouraging someone from a particular area or unit and encouraging them to consider another.

Currently, GICHF does not have formal written procedures and criteria to qualify or disqualify applications. While the staff currently does have standards for waiting list maintenance and tenant selection, these have not been formally passed by the Board. Formal standards for applicant rejection would help the agency protect itself from Fair Housing challenges. Another way to protect the GICHF is to develop an internal grievance procedure for handling clients who believe they have been unjustly treated. All applicants should be told they may file a grievance if they feel that they have been the target of discrimination, and the grievance procedure should be handed out with the rest of the application materials.

The GICHF has an obligation that all occupants can enjoy the use of their property. Failure of GICHF staff to investigate inter-tenant complaints concerning sexual, racial or other harassment is a violation of the Fair Housing Act amendments. GICHF would be liable if it failed to evict or otherwise discipline a client who persecutes tenants based on their protected class.

The GICHF can protect itself by creating flexible standards for client selection. The development of standardized office procedures for handling applications and security deposits can ensure all clients receive identical treatment, even if the agency operates based on a sliding scale. Finally, a formal grievance procedure can further protect the agency and staff member’s reputations in case of accusations.

Conclusion
The Fair Housing Act discussion begs the question of the GICHF’s future role as a landlord. The development of an apartment complex may mean that GICHF will continue as a property manager. In this case, the landlord/tenant relationship is strictly defined. However, some of the options presented in this report would expand tenant participation into property management activities. In the formation of a Community Land Trust (CLT) (as discussed in Chapter 2), the GICHF would maintain some of its responsibilities as a property manager, but may turn over the ownership of the buildings to the tenants themselves. In this way, GICHF may take on the role of brokering the units originally, but have little to do with the physical maintenance of the units after they are sold. If the GICHF chooses to develop a Mutual Housing Association (MHA) (also discussed in Chapter 2), tenants may have a majority voice in all decision and actions of the MHA. In any case, GICHF’s role in the development and continued maintenance of its properties would be affected by the organizational structures it chooses to employ, the resources available, and the desired level of involvement from its tenants.
Further exploration of these areas may produce alternatives that can be tailored to meet the needs and interests of the GICHF. Though the Housing Fellowship may not be able to presently act upon all of the options presented in this document, the GICHF may be able to take advantage of similar opportunities in the near future. These opportunities provide ways for expanded tenant and board involvement in the GICHF, as well as opportunities for increased number of units available to low-income persons and for increased community awareness and involvement. By seeking, developing, and taking advantage of these types of opportunities, the Greater Iowa City Housing Fellowship may be better enabled to meet its mission of increasing access to and availability of affordable housing to persons with low incomes.
INTRODUCTION

The Greater Iowa City Housing Fellowship (GICHF) is a nonprofit agency whose mission is to increase access to and availability of affordable housing for persons with low incomes. As the agency seeks to expand its ability to serve these needs, several issues have been identified by the Administrator and members of the Board of Trustees. At the GICHF Planning Retreat in February 1995, the following general areas of interest were identified:

- increasing tenant and board involvement in the GICHF;
- increasing community education and awareness;
- increasing the number of units available to low-income persons, and
- increasing collaborations with other organizations.

In addition, issues around the Fair Housing Act were identified as an area of interest by the Administrator of GICHF. This report will provide the Housing Fellowship with information and recommendations about these issues.

The issues discussed in the three chapters of this report not only provide information about the topics identified by the Administrator and the Board of GICHF, but seek to address the following additional problems faced by the Housing Fellowship.

- Land Acquisition: This is one of the most pressing problems that GICHF faces. Iowa City does not have housing suitable for rehabilitation or land available for new construction. Added to these problems is the fact that when there is housing or land available the Housing Fellowship has difficulty purchasing property for various reasons.

- Opposition from Neighborhoods and Others: GICHF may encounter resistance from people who do not want housing affordable for lower-income households. This is called the NIMBY problem which stands for “not in my backyard.”
• Pressure on Housing Supply: This community has a large student population which competes with low-income households for low-cost housing. The combination of the student population and lower-income households creates a situation where demand for affordable housing exceeds supply.

In seeking to help provide direction for the staff and Board of GICHF, there are also several opportunities and strengths which the agency may capitalize on.

• Funding Commitment: The Housing Fellowship has established a funding relationship and reputation with a local bank lending consortium which should be an ongoing source of funding for projects.

• Access to Subsidies: In continuing a collaborative working relationship with the City the Housing Fellowship has access to subsidy funds for projects.

• Track Record: GICIF continues to build a good reputation in the area as projects are successfully completed and managed.

This report is organized into three chapters. The first chapter is entitled, “Public-Private Partnerships.” It provides an explanation and examples of different forms that partnerships may take. It also contains a discussion of the structure of these types of partnerships and provides some suggestions about other groups and organizations with which GICHF may wish to collaborate. It contains ideas about ways that the members of GICHF may gather more information about housing issues and concludes with some recommendations for action for the Housing Fellowship.

Chapter Two is entitled, “Alternative Housing Organizations.” It will include a discussion of Community Land Trusts, Mutual Housing Associations, Housing Trust Funds, Community Development Corporations, and sources of additional assistance. This chapter will include a general discussion of the use of each of these tools and the
advantages and disadvantages of each. Recommendations will be provided at the end of the chapter.

The third chapter is "Fair Housing and the Housing Fellowship." This section provides a discussion of the Fair Housing Act and how it applies to various aspects of the operation of the agency. The various aspects include housing selection, advertising, waiting lists, marketing, application procedures, special concerns including children and the handicapped, evictions and enforcement. This section does not presume to provide legal advice but seeks to point out common pitfalls based on a careful analysis of the Fair Housing Act and case studies.

All three chapters are based on a methodological approach which involved extensive literature review and case studies. The discussions and recommendations represent a compilation of the authors' reviews of the literature and case studies.
Chapter 1: Public-Private Partnerships

Public-private partnerships, in the strict interpretation of the term, imply a working relationship between a public entity such as a local government, and a private entity such as a private developer. However, this discussion uses a broader definition of partnerships, one which includes nonprofits, social service agencies, private foundations, neighborhood groups and other local organizations.

Public-private partnerships have increased in number over the past 10-15 years as the federal government has decreased its level of support for low-income housing programs and policies. As a result, nonprofit organizations like the Housing Fellowship have become much more important in the provision of affordable housing. As nonprofits continue to expand their efforts to meet the needs of low-income persons, they find they need more information and resources to aid them. Public-private partnerships may be one source of that aid. Arrangements with two or more of the types of partners discussed below may provide assistance with land acquisition, equity investment, service provision, technical problems, and neighborhood opposition, among others.

This chapter will explore public-private partnerships by discussing the forms that these partnerships may take, including examples of successful partnerships. It also provides a general explanation of the structure of these partnerships. In addition, it helps to direct the Housing Fellowship to some community groups and organizations that may be worth contacting and collaborating with. Finally, it includes some suggestions for the ways in which more information about housing issues may be gathered.
Section 1: Potential Partners for Affordable Housing Development

Part 1: Government Partners

As the federal government has decreased its support for housing policies and programs, other levels of government have become more innovative in their support. The first partner discussed is local government. Local governments can provide assistance to a nonprofit housing developer in many different ways: land acquisition, regulatory incentives which will encourage the use of existing land for affordable housing, and coordination of financing.

Assistance with land acquisition is a pressing problem for GICHF. One method of assisting with land acquisition is through the provision of public land at little cost or by providing an opportunity to purchase the land at fair-market value before it is offered for sale to the public. Unfortunately, however, the City of Iowa City does not have land holdings that could be used to develop affordable housing.

Something that the City could do which would aid the Housing Fellowship in its search for developable land is to pass an inclusionary zoning ordinance. Inclusionary zoning ordinances may be voluntary or mandatory. Voluntary inclusionary zoning would recommend that a developer set aside a percentage of units in a development for low-income households. A voluntary inclusionary zoning ordinance may provide incentives to developers to encourage their use of the set aside. This type of program is used to provide affordable housing in Virginia. Developers are granted density bonuses for low-income set asides. For example, granting a 20 percent increase in density for setting aside 12.5 percent of single-family units for affordable housing, or granting a 10 percent density increase for setting aside 6.5 percent of multi-family dwelling units. (White 1992, p 20)
A mandatory inclusionary zoning ordinance would require that developers set aside a designated percentage of the housing being developed for low- to moderate-income households. Mandatory inclusionary zoning ordinances would be preferred over voluntary inclusionary zoning if it is believed developers would not voluntarily participate. New Jersey has been operating under a state-mandated inclusionary zoning law for many years. The law requires that communities provide their “fair share” of affordable housing. The set aside requirements typically range from five to 25 percent of units. (White 1992, p 19)

Other regulatory measures that the City may use, possibly in conjunction with an inclusionary zoning ordinance, include density bonuses, decreasing site development standards, regulatory incentives and waiving fees associated with development. These measures are all used to decrease the costs of developing affordable housing. Density bonuses provide that the land may be developed more intensely than the zoning indicates. Decreasing site development standards may include modifying parking and street width requirements and reducing setback requirements. Regulatory incentives may include streamlining the permit process. Finally, communities may be able to soften or eliminate some of the fees associated with developing land.

An example of a nonprofit housing organization which is operating, and thriving, utilizing many of the above-mentioned tools is the BRIDGE Housing Corporation in the San Francisco Bay Area. BRIDGE faces many of the same obstacles to affordable housing development, on a larger and more intensified scale, that GICHF faces. The cost of land and housing is high in the San Francisco Bay area and the availability of land is scarce. In addition, BRIDGE has had to overcome opposition to affordable housing by affluent areas. BRIDGE began operating in 1983 and averages approximately 1,000 units per year. It is believed to be the nation’s largest nonprofit housing developer. (Suchman 1990, p 95)

California law provides BRIDGE the opportunity to buy surplus public land before it is put up for sale to the public. This helps BRIDGE overcome one of the most difficult
problems that GICHF faces - the acquisition of land. In negotiating with local
governments, BRIDGE also often receives many of the other regulatory concessions
mentioned earlier. In combating neighborhood opposition, BRIDGE argues that a way of
overcoming the NIMBY problem is to produce high quality units.

Another role that a local government may play is that of a conduit for federal and state
funding in addition to providing funding itself. These entities disperse CDBG funds and
may establish Housing Trust Funds. These topics are discussed in more detail in Chapter
2.

Of course, in providing the above information it is recognized that the Housing Fellowship
cannot control the actions of a local government. However, the strategies discussed are
areas that the Housing Fellowship may attempt to negotiate with the City in developing
affordable housing. These are also strategies which would provide a role for GICHF in
working with private developers. For example, the Housing Fellowship may assist with
the development of affordable housing units.

Part 2: The Low Income Housing Tax Credit and Private Partners

Private partners may play many roles in the development of affordable housing. Some of
these include the provision of equity financing through the use of the Low Income
Housing Tax Credit (LIHTC), or the provision of other funding in the form of loans or
grants.

The use of the LIHTC program has become more widespread in recent years. In general
terms, the program works by reducing an investor’s tax liability for 10 years by a
percentage that is determined by the type of project being developed. The rate of credit
may be approximately 4 percent or 9 percent depending on the project. Table 1 provides a
summary of the types of projects and the applicable credit rate each receives.

<table>
<thead>
<tr>
<th>Table 1 - Low Income Housing Tax Credit Rates*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Project</strong></td>
</tr>
</tbody>
</table>

7
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>9%</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>9%</td>
</tr>
<tr>
<td>Building acquisition and</td>
<td></td>
</tr>
<tr>
<td>related minor rehabilitation</td>
<td>4%</td>
</tr>
<tr>
<td>&quot;Federally subsidized&quot; new</td>
<td></td>
</tr>
<tr>
<td>construction or rehabilitation</td>
<td>4%</td>
</tr>
</tbody>
</table>


Federally subsidized construction or rehabilitation means that federal funds have been provided at a lower interest rate than the prevailing Treasury rate. Eligibility requirements state that a project must have at least 20 percent of its units set aside for households at or below 50 percent of area median income or 40 percent of units set aside for households at or below 60 percent of area median income. The projects must be maintained for low-income households for 15 years although the tax credits expire after 10 years. After the 15-year compliance period, there is a one-year window in which a buyer who will maintain the project for low-income use for another 15 years has the opportunity to purchase the project. Tenants are protected from eviction or large rent increases for 3 years after the 15-year compliance period ends.

Nonprofit organizations are allocated at least 10 percent of the credits that are available to each state. States are allowed to allocate a maximum of $1.25 worth of tax credits per resident of the state per year. The nonprofit entity is not taxed so, of course, the tax credits do not accrue to them but to a private investor. The nonprofit is intended to create a partnership with a private developer for the provision of affordable housing.

An example of a nonprofit organization which has successfully utilized the LIHTC is Progressive Redevelopment, Inc. (PRI) in Atlanta. PRI began as a grassroots neighborhood organization with funding mostly from area churches, civic groups and foundation grants. As the organization developed, it learned to put together financing packages from many sources - one of which was a lending consortium. The organization also learned to work with neighborhoods; organizing them as community land trusts (discussed in more detail in Chapter 2). There existed at this time in Atlanta a need for
single-room occupancy (SRO) housing which a local developer sought to fulfill. PRI was chosen as a partner for this project to secure the equity tax credits for the developer. Equity financing was provided by a subsidiary of the Enterprise Foundation, a nonprofit entity which provides funding resources and assistance for the development of affordable housing. The 209-unit project was completed in December 1992. (Lederman 1993)

This has been only a brief and general discussion of the LIHTC program. Much more detailed information may be obtained from Joseph Guggenheim’s book, *Tax Credits for Low Income Housing*.

Partnerships with private partners do not, of course, have to include tax credits. There are other functions that a partnership with a private partner may serve. One major role that they may play is in the provision of funding. Lending consortiums often provide some of the necessary funding for affordable housing projects. The Housing Fellowship has utilized the resources of a local lending consortium on past projects. The members of lending consortiums may be banks or private companies. Although there are not many major corporations located in Iowa City, there are a few. These organizations may provide philanthropic contributions which could be used to set up a revolving loan fund or some other type of funding resource. Table 2 provides a list of the top 15 employers in the Iowa City area and the number of people they employ.

<table>
<thead>
<tr>
<th>Business</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Iowa</td>
<td>21,773</td>
</tr>
<tr>
<td>Veterans Administration Hospital</td>
<td>1,317</td>
</tr>
<tr>
<td>American College Testing</td>
<td>1,206</td>
</tr>
<tr>
<td>Iowa City Community Schools</td>
<td>1,200</td>
</tr>
<tr>
<td>Mercy Hospital</td>
<td>1,050</td>
</tr>
<tr>
<td>United Technologies Automotive</td>
<td>950</td>
</tr>
<tr>
<td>Rockwell International</td>
<td>750</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>710</td>
</tr>
<tr>
<td>National Computer Systems</td>
<td>650</td>
</tr>
<tr>
<td>City of Iowa City</td>
<td>540</td>
</tr>
<tr>
<td>Johnson County</td>
<td>404</td>
</tr>
</tbody>
</table>
Oral B Laboratories 400  
MCI Services Marketing 295  
First National Bank 232  
Moore Business Forms 200  
* Source: Iowa City Area Community Profile, 1994, p 19-20.

Although some of these organizations are nonprofits or governmental bodies they may also have interests in the provision of affordable housing. High housing costs in this community make it difficult to attract and retain employees, especially at the lower end of the pay scale unless there is adequate affordable housing. Because their presence in the community has an impact on the housing supply, they also have a responsibility to contribute to the solution. Their contributions would not be in the form of equity financing but may include in-kind contributions.

Some other groups that the Housing Fellowship may wish to continue working with area realtors, contractors, homebuilders associations, financial institutions, local business groups and the Chamber of Commerce. In developing these relationships it is important to appeal to these groups’ business interests and their interest in the overall economic health of the community.

**Part 3: Nonprofit Partners**

Nonprofit entities working together may combine resources for the provision of housing and other services. Nonprofit partners may assist the Housing Fellowship by assembling necessary funding sources. They may also provide technical assistance for the development of affordable housing. Also, nonprofit social service providers can provide complementary services for GICHF tenants.

Anawim Housing is a nonprofit organization in Des Moines which developed and manages 46 units of affordable housing in 1994. The organization was begun with church-based funding but as the organization expanded it needed to be able to draw on more resources. In 1990, Anawim succeeded in developing Forest Apartments, an 18-unit rental property. The success of this project led the organization to seek funding to rehabilitate the
remaining 14 units in the development. Anawim worked with a consortium of local banks called the Neighborhood Financing Corporation (NFC). The NFC is a nonprofit entity which provides funding for targeted neighborhood revitalization.

GICHF could work with the local lending consortium to organize a nonprofit entity similar to NFC. This would formalize the relationship that the Housing Fellowship currently has with the consortium.

A nonprofit partnership in Boston in the 1980s provides a good example of another type of arrangement. The Boston Housing Partnership (BHP) was organized in early 1983 to provide affordable housing for area residents. In working with community-based groups to achieve this goal, another nonprofit entity provided valuable assistance. The Greater Boston Community Development (GBCD, now called Community Builders, Inc.) organization provided technical assistance to the groups free of charge. The GBCD assisted with such things as site control negotiations and development of construction and operating budgets. (Bratt 1989, p 292)

Although there are no nonprofit entities in the community which would currently be able to provide GICHF with technical assistance, the Housing Fellowship may build on its relationship with City staff to help fulfill this need. Some of the organizations discussed as private partners may also be willing to serve this need. Another source of information may be the Metro Area Housing Program (MAHP) in Cedar Rapids. This is a nonprofit housing organization which provides similar services as GICHF.

In addition to the two nonprofit partnerships discussed above, there could be a partnership arrangement between a nonprofit housing developer and a nonprofit social service agency. Many people would benefit from the combined services of secure affordable housing and supportive social services including health care, job counseling, and drug and alcohol treatment. These are some of the services that PRI in Atlanta, working with other nonprofit entities, seeks to provide to their residents.
There are many nonprofit organizations operating in the Iowa City/Johnson County area. Several of these may be interested in forming partnerships with the Housing Fellowship to provide housing and other services. In creating the document for *City Steps*, Iowa City's strategies for meeting the needs of low-income residents, many of these organizations have been identified. GICHF may refer to this document for potential partners.

**Part 4: Community Groups as Partners**

There are many other organizations that the Housing Fellowship can work with to achieve their goals. One important set of groups are neighborhood organizations. The City of Pittsburgh has strong neighborhood associations. Although Pittsburgh's partnerships originally began with only the interests of government and the private sector represented, neighborhood groups organized, coordinated and challenged this restrictive partnership. By responding to the neighborhood's demands, the partnership began to gain legitimacy and contain conflict. (Jezierski 1990)

Another benefit to working with neighborhood groups is the mitigating affect it may have on the NIMBY problem. Some authors would argue that providing an opportunity for citizens to express their concerns and demonstrating a willingness to work with them may help break down some of the barriers around creating affordable housing. In Kansas City, a nonprofit housing developer worked with neighborhood groups in designing affordable housing units to help overcome NIMBY problems.

Environmental groups in the community may be another collaborative partner for the Housing Fellowship. In organizing this type of partnership, it would be important to make a connection between affordable housing and growth issues. Affordable housing is often developed at higher densities than other residential developments. As a result, less land is developed and environmental groups may support these efforts.
Section 2: Partnership Organization and Structure

This section is a general discussion of the organization and structure of partnerships and how these may apply to the Housing Fellowship. There are different ways to organize and institutionalize a partnership with the various organizations discussed in the previous section. One way to begin organizing these partnerships may be to provide an opportunity for interested parties to meet and discuss housing issues. The structures that public-private partnerships may eventually take vary from informal agreements, to written contracts, to incorporated entities.

In the past, the City has had a Housing Task Force to deal with housing issues in the community. This type of organization may provide an opportunity for various members of the community to provide input to and to learn about housing issues. When considering the establishment of partnerships with various community groups, this may be a good starting point. A long-term institutional arrangement would provide some continuity and dedication to housing issues.

The types of structures that partnerships utilize will vary depending on the activities of the partnership. Those with governmental entities will most likely involve some type of contract. Other types of partnerships may also require a written contract or agreement describing what services or activities are being exchanged by the two or more partners involved.

Another very important type of arrangement may occur between a nonprofit and a private partner. In this case, GICHF would need to be careful how it structures a partnership to preserve its tax-exempt status. Two common types of partnerships are general and limited. General partners share in the profits, losses and liability for any debts of the partnership. A limited partnership has a general partner which is responsible for the management of the partnership and a limited partner which provides capital and has only
that liability equal to the capital contributed. A limited partner does not share in the management and operating decisions of the project.

Chapter Summary

There are several things that nonprofits should remember in forming partnerships with another group or organization. The executive Administrator of Anawim Housing has several lessons that she learned from the development of Forest Apartments. She says that it is important to have a clear vision and be committed to it because this will help keep you going in rough times. She also says that it is important to make contacts with other people and groups because you cannot accomplish your goals by yourself. (Community Information Exchange 1994, p 16) It will be important for the Housing Fellowship to determine its vision and goals for providing affordable housing. Successful nonprofits have found and/or generated widespread community support through outreach, communication and education. They have also become politically, socially and financially savvy.

In arming itself against opponents of affordable housing, those associated with the Housing Fellowship and others interested in the provision of affordable housing will need to be as informed as possible. It will be important to be able to combat the NIMBY arguments with information that demonstrates where the arguments break down. There are several ways to get informed: some members of a group may travel to a conference and report to the other members, the group could host a mini-conference or forum itself, the group may invite speakers to discuss topics around affordable housing, or the group may wish to subscribe to a housing journal or other publication. For example, the journal Shelterforce is titled the “journal of affordable housing strategies.”
References and Suggested Readings


Department of Planning and Community Development. 1994. Community Profile for the Iowa City Area.


CHAPTER 2: ALTERNATIVE HOUSING ORGANIZATIONS

Efforts to develop housing affordable to low- and moderate-income households have come from a wide range of organizations over the past 25 years. In response to reduced support and involvement from the federal government in dealing with local problems, local organizations have developed to address their particular concerns, taking organizational forms that best enable the groups to function. Though these organizations have taken numerous shapes, sizes, structures, and focuses, they have often developed as variations of one (or more) of four basic forms of organization: community land trusts (CLTs), mutual housing associations (MHAs), housing trust funds (HTFs), and community development corporations (CDCs). Local circumstances, such as the particular needs of the community, the available resources, and the level of interest and/or dissatisfaction with the existing situation, usually dictate what type of organization forms and what the focus will be.

In order to supplement the funds that the Housing Fellowship currently uses, it is possible to establish other organizations, either as a part of GICHF or as an individual entity, that would be able to secure additional funds from the community to develop affordable housing. By exploring these other forms of organization, GICHF may find alternative sources of funding and/or support that would facilitate its housing development efforts in the future.

The information presented here attempts to identify the basic, common factors that make each of the organizations work. Should GICHF be interested in pursuing any of these options further, it is assumed that reasonable modifications to these structures can be made to allow them to function in the Iowa City area. It is also assumed that land will be made available in the foreseeable future in the Iowa City/Johnson County area for all types of housing development, including multi-family housing and manufactured housing.
Section 1: Community Land Trust (CLT)

A community land trust (CLT) is a private non-profit corporation created to acquire and hold land for the provision of housing for community residents. CLTs attempt to meet the needs of residents least served by the prevailing market by prohibiting speculation and absentee ownership of land and housing, promoting ecologically sound land-use practices, and preserving the long-term affordability of housing.

The CLT acquires land through purchase or donation with an intention to retain title in perpetuity, thus removing the land from the speculative market. The land is then leased to individuals, families, cooperatives, community organizations, and businesses. The leases are usually long-term or even lifetime, and may be transferred to the leaseholders' heirs if they wish to continue the use of the land. Leaseholders must use the land in an environmentally and socially responsible manner, but the CLT may not interfere with their personal beliefs, associations, or activities. Priority in leasing is usually given to those whose needs are greatest (Institute for Community Economics 1992).

Leaseholders pay a regular lease fee based on the value of the property as it is used, rather than "full market value" which may reflect its speculative value to other potential developers of the property; the lease fee also covers property taxes. However, they are not required to make down payments and do not always need conventional credit or financing to gain access to the land. While leaseholders do not own the land itself, they may own buildings and other improvements on the land. In many cases the CLT can help leaseholders to acquire ownership of buildings by arranging affordable financing. Some CLTs also provide homeowner training and other assistance; others have developed home repair loan programs and have made special arrangements for leaseholders who face unexpected financial problems (Institute for Community Economics 1992).

If the leaseholders leave the land and terminate the lease, they may sell or remove the improvements which they own. Typically, the CLT has the first right to buy the
improvement at the owner's original cost, usually adjusted for inflation, depreciation, damage, or improvements during the ownership period. The property can then be sold to the next leaseholder. Thus, the first leaseholder is guaranteed equity in the improvements, but cannot benefit from speculative increases in housing prices; the succeeding leaseholder is able to buy the improvements at a fair price.

Constructed as a nonprofit, tax-exempt organization, the CLT can use a variety of tools to lower the cost of acquiring property. Financing the acquisition of property has come from a variety of sources including banks, state housing finance agencies, and socially concerned investors. CLTs have also been developed with the cooperation of foundations, religious institutions, other nonprofit entities, and local governments. Federal funds such as Community Development Block Grants (CDBG) and Homeownership Opportunities for People Everywhere (HOPE) have played a large role in the development of CLTs; CLTs are considered Community Housing Development Organizations (CHDOs), making them eligible for HOME funds. CLTs may also qualify for exemptions from federal and state taxes. However, many CLTs pay local real estate taxes on the land they own. Typically, the cost of these taxes are covered by the lease fees paid by those using the land, thus reducing any burden the CLT may otherwise carry (Institute for Community Economics 1992).

One advantage the CLT has in providing affordable housing is that it is not limited to single-family home development. CLTs have great flexibility in developing multi-family buildings and organizing the units into cooperatives, condominiums, or straight rental properties. The CLT may own the buildings itself and lease the units to occupants, or may sell a multi-family building to one of the occupants with an agreement that other units will then be rented as housing affordable to lower-income households on a permanent basis. However, most CLTs try to help residents of buildings organize so that they can own their buildings in a cooperative or condominium organization. However, one constant in CLT organization, for both single-family and multi-family developments, is that all leasees are
members of the CLT and are represented on its board, thus giving residents a say in the CLTs' decision-making processes (Baker 1989).

Though similar in organization to limited-equity cooperatives and conservation land trusts, the CLT has several important differences from both. In a housing co-op, the membership of the cooperative is limited to those living in the housing; the residents jointly own and control their housing and the land on which its located. In a CLT, leaseholders own and control their own homes, but the land belongs to the CLT and is thus controlled by its board. A limited-equity cooperative may itself be a leaseholder on CLT land, and some CLTs have helped residents of multi-family units to purchase their building as a cooperative.

Groups of existing co-ops may also help organize a CLT with the intention of turning their land over to the CLT; the CLT can strengthen such cooperatives by providing structure for mutual support. The cooperative-CLT can also prevent its members from amending bylaws to remove limitations on the sale of their shares through lease agreements, thus providing greater assurance that the housing will remain affordable to lower-income households (Institute for Community Economics 1991).

Section 2: Mutual Housing Association (MHA)

A mutual housing association (MHA) is a private, nonprofit partnership that develops, owns, and manages new and existing affordable housing in the community interests. Its mission is to provide safe, permanently affordable housing and security from displacement for lower-income households. It serves as an affordable housing alternative to traditional home ownership.

Though similar in form to a housing cooperative, the MHA owns all of the housing units and land it encompasses as a corporate entity. While residents don't own their units, they
do have the privileges and responsibilities of homeownership because MHAs provide members a lifetime right to occupy their units; residents also have the right to nominate a family or household member as a successor. In effect, the residents "own" the organization that owns their housing, thereby furthering the residents' ownership stake (Bechtel 1989).

Residents have a majority voice in all decisions and actions of the MHA through participation on local Resident Councils and through elected representatives to the Board of Administrators. Day-to-day property management is usually delegated to professional management staffs. Residents work with their staff to establish policies and procedures, select new residents, resolve disputes, set and monitor budgets, and maintain their building and grounds (Bratt 1989).

Residents pay a one-time membership fee, which is refundable with interest when the resident moves. This fee is set by the MHA and can range from several hundred to several thousand dollars, and is applied to the capitalization needs of the development. Residents also pay an affordable monthly housing charge which covers operating costs, including real estate taxes, property insurance, maintenance, repairs, and long-term replacement reserves. Usually, this charge takes the form of a percentage of residents' adjusted gross income. A small percentage of housing charges are sometimes set aside in a fund for ongoing production or acquisition of new units.

Mutual housing is capitalized with financial mechanisms that will not jeopardize permanent affordability or the MHA's long-term ownership of the housing. The most desirable method of capitalizing MHA development is with up-front grants or forgivable loans from public and private sources. Ideally, the MHA is debt free, resulting in increased affordability with lower monthly costs, thus allowing the MHA to serve lower-income households. When debt financing is inevitable, mortgages and other financing mechanisms are used only to the extent needed to cover the gap between available grants and development costs. Many MHAs who do require financing receive support from the
Neighborhood Reinvestment Corporation, a national nonprofit that provides technical assistance and financing to a national network of local partnership organizations. By minimizing or eliminating the need for equity capital from outside investors, the MHA's housing is not subject to market pressures, resulting in the preservation of its affordability (NeighborWorks 1990).

Section 3: Housing Trust Fund (HTF)

A housing trust fund (HTF) refers to a dedicated source of revenue available to help low- and moderate-income households find affordable housing. The HTF forms to secure and utilize a renewable revenue source in order to reinvest their financial assets in the creation, rehabilitation, or preservation of low-income housing. The HTF can provide a wide range of assistance, ranging from production of new units to loan guarantees to lower-income renters and homebuyers. These funds typically are used to fill a gap in financing from local and state governments (Rosen 1987, p.1).

A HTF is created when a city, county, or state government dedicates a revenue source and establishes the fund as a distinct entity that can receive and disburse money. The legislation usually describes how the fund will be administered, who is eligible to apply for funds, and which types of projects get priority. Trust funds are established to be relatively permanent as they are created by ordinance or legislation and can only be dismantled by an equivalent legislative action (Mariano 1989).

Almost all HTF are administered by city, county, or state departments or agencies; the few funds established by nonprofit entities usually depend on city or county staff support and have a board appointed by elected officials. Boards are usually created by the HTF's enabling legislation, and members of most advisory boards are appointed for specific terms by an elected official or body. Boards are usually charged with creating their own by-
laws, appointing officers, developing and meeting schedules, developing program
guidelines, designing applications for funds, assessing needs, and reporting on activities
and the progress of the HTF. Boards also typically bring a broad range of interests and
expertise to the administration of the HTF, insulating it from politics, guaranteeing
broader support for its programs and networking with other agencies' programs (Brooks
1992). HTFs can be one strategy used to organize the funds and programs of the Housing
Fellowship.

The key to the success of a HTF is the connection to an ongoing source of revenue. Since
the affordable housing goals of most HTFs take longer than one year to accomplish, the
revenue source must be assured of continuing beyond its first year. Because broad
community support is needed for the creation of the HTF, it also tends to mobilize the
community around housing issues and stimulates other development projects of affordable
housing. Though formal oversight systems are not needed, because HTFs are often tied to
publicly-provided funds, such as CDBG, HOME, or local funds, HTFs are required to be
visible, relevant, accessible, and ultimately responsible to the community (Brooks 1992).

HTFs typically secure their funding from either market-based revenue sources or public
revenue sources. Market-based sources include sale or mortgage escrow deposits, tenant
security deposits and utility deposits. These different forms of escrow accounts can
generate income for the HTF from the interest collected on deposits being made for other
purposes (Rosen 1987).

In addition to CDBG, HOME, and other federal and state grant programs, other public
revenue sources have been used to support HTFs. Interest collected from surplus bond
reserves and other "rainy day" reserves, as well as tax-increment financing (TIFs) and
required contributions linked to developments of certain sizes, can be used to provide
funding for HTFs. Title transfer taxes and conveyance fees, which are collected by cities
or counties at the time of a sale or transfer of property, are another way to generate funds
for HTFs that also directly link a public revenue source with its dedication to a housing
trust fund for low-income housing. A combination of these sources of funds may be established for HTF use; the use of these funds is determined and dedicated with the enabling legislation creating the HTF itself (Rosen 1987).

Most HTFs have Request for Proposal (RFP) processes which award funds 2-4 times a year. HTFs typically act as the "first money in" to get a project started or as the "last money out" to be the final piece of financing for the project. Most HTFs provide grants or loans to nonprofits, private developers, or back to local governments to develop affordable housing in line with the HTF's goals. HTFs are typically formed to target low-income households and "hard to house" populations. Some HTFs have set-aside programs for transitional or emergency housing, rental assistance, predevelopment costs, or organizational support, while others give funding priority to nonprofit initiatives. Most HTFs establish review criteria to give particular emphasis to characteristics they want to be included in funded projects. It is through these "adjustments" to the HTF's organization that long-term affordability to targeted populations is assured (Brooks 1992).

Creation of a HTF usually involves five activities:

- an area housing needs assessment
- a legal review of pertinent state law and local ordinances
- market analyses and revenue projections for selected revenue sources
- specification of housing program uses and HTF administration
- political consensus building necessary to the adoption of the HTF proposal (Rosen 1987).

The housing needs assessment requirement helps the HTF identify the areas where its assistance is needed the most. Needs assessments conducted by other agencies, such as by the City of Iowa City, can be used by the Housing Fellowship for these purposes. The legal review outlines the legal structure for the HTF; the laws governing HTFs often vary state to state. By identifying and estimating potential revenues and market forces, the Housing Fellowship can have some idea of what scale the HTF's project can be; ultimately, the size of the projects funded by the HTF would be limited by the amount of revenues it
receives. The administrative structure of the HTF would then need to be identified, and the HTF would have to outline its priorities for assistance and funding (Rosen 1987).

Finally, the "package" must be "sold" to decision-makers and the public in order to establish the HTF. The largest obstacles to the creation and operation of HTFs are the legislative process, lack of assured continued funding, and competition from other affordable housing projects. Because the creation process is so lengthy, the HTF must have wide enough community support to survive the creation process. Also, HTFs have sometimes become the target of politicians attempting to "free up" revenue sources for use for other projects. Because the HTF is created by a governmental entity, it occasionally may become involved in political fights for its survival. HTFs could be a target for cuts by political bodies who wish to see a more "substantial" or immediate impact on the housing situation, rather than committing to the long term with the HTF (Brooks 1992).

Section 4: Community Development Corporations (CDC)

A community development corporation (CDC) is a nonprofit organization committed to improving economic conditions, providing affordable housing, delivering social services, or a combination of these efforts, to a defined geographic area. In addition to addressing such needs, CDCs attempt to enhance the political position of a neighborhood or local community and to provide opportunities for individual empowerment. CDCs are usually under the control of the community, with local residents making up the majority of the board (Bratt 1989, p. 191).

CDCs take a wide range of forms, each focusing on purposes specific to their local needs. They primarily take one of two forms: that of a sophisticated, organized neighborhood association, or of a subsidiary of a bank or corporation. In the case of a neighborhood-based CDC, they are usually under the control of the community, with local residents making up the majority of the board. However, in some of the cases where the CDC is
backed by a corporation, the "control" can be more of a top-down process; the CDC board, mostly made up of corporate interests and business leaders, directs the efforts of the CDC and its resources to meet the goals they (or the parent corporation) have established (Bratt 1989, p. 191).

CDCs' activities tend to focus on housing development, job retention, development of new enterprises and employment opportunities, commercial development and revitalization, providing social services, land development, or some combination of these efforts. Each CDC usually attempts to address the most critical concerns in its respective neighborhood, focusing on the "roots" of a neighborhood's decline or preservation. Sometimes, the CDC can serve a wider region such as a metropolitan area, for example, and acts as a sponsor or funding source for the efforts of more locally-initiated CDC endeavors (Bratt 1989, Chapter 11).

Though it is a nonprofit organization, the CDC takes a corporate form which appeals as a mechanism for entrepreneurship and investment. It provides "a mechanism for organizing professional and technical resources at the local level, and to orchestrate all the available resources of assistance into a program of action that is responsive to local needs" (Bratt 1989, p. 261). The CDC sometimes uses federal, state, or local aid, combined with other sources of assistance such as assistance from other nonprofit agencies, private donations, local businesses and financial institutions. The organization acts as a "foundation" for sustained development of the neighborhood or community, using its resources to initiate redevelopment and to attract new investments to the area, or to establish a lender consortium for other CDCs' use. However, CDCs are invaluable for directing these funds toward the problems that residents and corporate leaders identify as priorities (Bratt 1989, Chapter 8).

CDCs are often created in response to a unique opportunity, such as the sale of HUD-owned properties to its residents, or in response to a perceived threat to their neighborhood, such as increased crime. They can be encouraged and supported by
governments, nonprofits, and other organizations, but they are often either grass-roots organizations or a "coming-together" of business leaders to address an issue of mutual interest in their community. In either case, CDCs must secure the support of the community or neighborhood in order to survive and accomplish its goals over the long-term.

Chapter Summary

A number of possibilities exist for alternative housing organizations to develop in the Iowa City area with the support of GICHF. These structures may provide avenues to sources of revenues that would supplement GICHF's use of HOME funds and loans from the consortium.

Based on the available information, and assuming that land will be made available in the Iowa City area for all types of development, a community land trust (CLT) structure may prove useful to GICHF in the foreseeable future. Since acquiring land for the development of affordable housing is particularly difficult, the creation and use of a CLT in the acquisition process would allow GICHF to effectively remove the land from the speculative development market. By removing the land immediately from the speculative market, it may be more affordable for GICHF to develop. Though the land would not be immune to all increases in value, the increases that do occur would be tied to reasonable, slow increases over time; the value of the property would be controlled to some extent for community purposes. The land would then be held for affordable housing in perpetuity without the risk of resale or increased property taxes that may result over time should its "market value" rise substantially.

The land could be leased to individuals, families, or other nonprofit organizations for the development of affordable housing. GICHF could then focus its resources on acquiring land to be developed by other nonprofit organizations, or to be developed into single-
family homes by prospective owners themselves. Alternatively, GICHF itself could develop the properties held by the CLT, with the land being owned by the independent CLT and the buildings owned by GICHF. This would allow GICHF to focus on developing the land for affordable housing, and could then rent the buildings to lower-income households.

Other organizational structures may prove useful in the distant future. A mutual housing association (MHA) may be explored further as an alternative to the CLT in acquiring and developing land for lower-income housing. However, since MHAs are typically debt-free, unless additional grants or gifts were made available, GICHF may not be able to take advantage of that organizational structure presently.

A community development corporation (CDC) may be useful in organizing residents in a particular development to better their situation or neighborhood, possibly taking over some of the maintenance of their buildings and obtaining additional federal funding. However, CDCs typically grow from within the neighborhood, often in response to a perceived threat or dissatisfaction with management or maintenance. Since this is not the case with GICHF's existing developments, a CDC may not be as useful at the present time.

Though a housing trust fund (HTF) would provide additional resources to GICHF and other nonprofit agencies for low-income housing development, the process is a long and difficult one. Political forces play a large role in the dedication of revenue sources for such purposes as affordable housing development. Though this option may be attractive as a renewable resource for funds for housing development in the future, the development of a HTF would most likely require the assistance of other nonprofit agencies as well as the local government, and would take several years before it may be created. Appendix 1 "Additional Sources of Assistance" may also provide a number of alternative funding sources that may be pursued to supplement GICHF's resources.
Though the CLT would not be a cure-all, it may provide GICHF additional tools to work with in acquiring and developing land for affordable housing. The creation of the CLT may facilitate the acquisition process and may make land more affordable to GICHF and ultimately, to lower-income households. It may be possible to work with the City of Iowa City or Johnson County governments to further facilitate this process; these bodies may be of assistance in helping GICHF obtain property through a CLT, where it will be assured that the property will be used for low-income housing.
References and Suggested Readings


Brooks, Mary E. 1992. Housing trust funds: Home-grown solutions to the federal government's retreat on housing have taken on many shapes and forms. In Shelterforce. Issue no. 64.


CHAPTER 3: FAIR HOUSING AND THE HOUSING FELLOWSHIP

The Greater Iowa City Housing Fellowship currently acts as a landlord, but doesn’t have a complete picture of the responsibilities imposed by Fair Housing legislation. This chapter provides a broad overview of the Fair Housing Act and some suggestions that can protect GICHF from Fair Housing accusations. Please note this chapter is not meant to provide legal advice. Rather, it is designed to provide general information and suggestions that GICHF may use for it’s own protection. Additionally, the information can be valuable when making a case for low income housing in Iowa City.

Further, GICHF will likely face Fair Housing issues whether the Board decides to pursue large multi-family units or to promote owner-occupied housing. GICHF resident managers, supervisors, and sales and leasing agents will need to know that conduct or statements that restrict someone's choice of available housing are prohibited under the Fair Housing law.

Section 1: Overview of Fair Housing

While the Fair Housing Act was originally designed to discourage racial discrimination in housing, it has been amended to protect additional groups. Those groups in this report are called “protected classes”. The Fair Housing Act, in one sentence, states that “access to housing and equal housing services, may not be denied BECAUSE OF race, color, creed, sex, religion, national origin, physical/mental disability/handicap, or familial status/presence of children” (Alderton, 1992, 2). According to the federal law, denying access to housing includes:

- “Refusing to sell or rent a housing unit
- Changing the terms, conditions, or privileges of the sale or rental of a dwelling or real estate loan
- Indicating a preference, limiting to certain groups, or discriminating in advertising
- Misrepresenting the availability of units
• Denying a loan for purchase, maintenance, or remodeling a dwelling
• Denying access or membership in any multiple listing service or real estate broker organization"

The Fair Housing Law in the State of Iowa generally follows the federal law, but the state law also emphasizes that a landlord may not refuse entry “to property for lawful purposes at the invitation of the lessee or owner as friends, guests, visitors, and relatives” (Alderton, 1992, 7). In short, state law prevents landlords or property associations to pressure tenants about who they entertain in their home for legal activities and for reasonable lengths of time. Under this provision, GICHF may not attempt to regulate guests. However, there may be situations when GICHF needs to put a limit on the amount of time that a person can be considered a “houseguest” and when the person becomes an “occupant” who should be added to the lease (Alderton, 1992, 6). This standard can be covered in the house rules.

In Iowa, city and county governments are free to enact local ordinances which expand the protected classes. Iowa City added age, marital status, sexual orientation, and source of income. Because of this, discrimination against persons in these groups are illegal in the Iowa City city limits.

Fair housing guidelines at each level are quite specific about the areas in which discrimination is illegal. The areas covered in the following sections are advertising, applicant processing, special concerns for persons with disabilities, and evictions.

Section 2: Advertising

Part 1: Marketing
According to the law, advertising for the sale or rental of a dwelling may not state a preference for any person or state an intention to exclude any person because of the person's protected characteristics (Daniels, 1990, 16). However, specifically marketing to low income households is allowable because of the social benefit of affordable housing. Even though GICHF takes client referrals from social work agencies and does little
marketing, the organization may benefit from careful consideration of the image it portrays in its brochures and other forms of advertising.

The Fair Housing rules about advertising apply to application forms, brochures, flyers, signs, posters, and banners or any other written material that is produced in connection with the sale or rental of a dwelling unit. (Daniels, 1990, 17). Words, phrases, photographs, or symbols in advertisements can constitute a violation of the Act if it is apparent from the context that discrimination is likely to result—even if the impression is unintentional.

As a good guideline, all advertising should include only factual information about the available unit and the GICHF policies such as “no pets” or “no smoking”. According to Daniels, 1990, 19, it is illegal to use the following or similar words when advertising in written or verbal form (such as when showing a unit):

- crippled
- blind
- deaf
- mentally ill
- retarded
- singles
- adult building
- mature persons
- restricted community
- and “exclusive”

The Fair Housing Act also has requirement for the use of models in advertising. If the GICHF were to take on projects that require marketing, models for brochures and signs should be from a cross section of societal groups. For instance, the use of exclusively young adults may indicate a preference for singles over families with children, and there are court cases which have decided that the use of all-white models is discriminatory. (See SPANN v. POTOMAC INVESTMENT ASSOCIATES and ROBINSON v. HARBOR COURT ASSOCIATES in Appendix 2.)
Part 2: Steering

In addition to written advertising, the Fair Housing Act forbids the practice of "steering" clients when marketing the units. Steering is the practice of discouraging someone from a particular area or unit and encouraging them to consider another.

Steering can occur during telephone conversations with prospective clients or when showing individual housing units. In giving directions, staff should not use written or verbal directions that refer to racial, ethnic, or religious landmarks that may indicate a preference for a specific type of person (Daniels, 1995, 30). Also, it is illegal to refer to certain neighborhoods by a description of a protected class. When showing a unit, it is better to let the applicant decide whether or not the unit is appropriate for them. Comments about the suitability of the unit or neighborhood may be construed as an attempt to dissuade an applicant, and would be illegal under Fair Housing requirements.

According to Daniels, (1990, 28) there are some easy things that GICHF staff can do to avoid unintentionally steering potential tenants. First, it is a good idea to develop standardized procedures for GICHF staff to use when someone comes in or calls, so that the information given to each individual is the same. One of the ways to do this is for GICHF to maintain a master list of all available units and either post it publicly or make it available on request. There are specific suggestions for developing and maintaining a master list in Appendix 3.

Section 3: Applicant Processing

Part 1: Tenant Selection

Currently, GICHF does not have formal, written procedures and criteria to qualify or disqualify applications. While the staff currently does have standards for waiting list maintenance and tenant selection, these have not been formally passed by the Board. Formal standards for applicant rejection would help the agency protect itself from Fair Housing challenges.
Since GICHF specifically targets low-income persons, standards for rejection could include employment history, and present and past rental history. Agency staff and the Board can work together to develop standards for what is and what is not an acceptable past rental history. These standards should be given to clients at the time they submit an application, so that everyone know how they will be judged.

In rejecting an application, GICHF may use only information obtained from the application or as part of the verification procedure. Another idea is to develop a policy that all applications must be processed within a set time frame. If an applicant is rejected, the written rejection notice may contain only phrases that pertain to the employment or tenant history of the applicant. (Daniels, 1990, 44)

**Part 2: Grievances**

Another way to protect the GICHF is to develop an internal grievance procedure for handling clients who believe they have been unjustly treated. All applicants should be told they may file a grievance if they feel that they have been the target of discrimination, and the grievance procedure should be handed out with the rest of the application materials (Daniels, 1995, 32).

The Housing Advisory Committee may be an appropriate group for handling grievances, or the GICHF Board may want to appoint a subcommittee for this purpose. The group would be responsible for investigating the complaint and should issue a written report on the outcome to the client and for GICHF’s own records. The grievance procedure may state something to the effect that “decisions of the Housing Advisory Committee are final for the purposes of this agency.”
Part 3: Waiting Lists

According to the Administrator, GICHF requires some flexibility in the maintenance of the waiting list in order to give priority to those clients in the most hardship. This works against the most straightforward method of “first come, first serve” application process.

However, the Administrator also indicated GICHF has written standards for deciding which clients are in the most hardship. As long as there is a rational relationship between the standards and GICHF’s mission, and the standards don’t differentiate according to protected class, this practice is acceptable under Fair Housing guidelines. It would be advisable to make each client aware of these standards, in written form, at the time he or she applies. This way, GICHF has explained it’s reasoning to the client before he or she has formally submitted the application.

Currently, the waiting list standards are available to clients in the GICHF brochure. However, the GICHF may find in its future as a landlord that the rules governing the waiting list may become more complex. This situation could occur with the development of large apartment complex. Managing a large low income project may require that GICHF establish occupancy rules to maximize the number of low income persons it serves. For instance, GICHF may not want to rent a three bedroom unit to single parent with a child, because the unit could be better used to house a five-person family. The Fellowship could state in it’s waiting list standards that units will be matched by household size, but this standard may conflict with other standards on the waiting list. What if the single parent in the above situation is currently homeless, the five person family is housed but overoccupies its current housing, and the GICHF only has one three-bedroom unit available? In this situation, the standards could reflect that household size is not the deciding factor for which family gets which unit, but that household size should be a consideration in utilizing the available units efficiently. As long as the occupancy limits and the waiting list priorities are applied to every one, there is less chance of a Fair Housing challenge.
Part 4: Inquiries related to drugs and alcoholism

The amendments to the Fair Housing Act in 1988 include alcoholism as a "physical or mental impairment" and therefore falls within the definition of a handicap. Because of this, applications or verifications may not ask whether a person has a substance abuse problem (Daniels, 1990, 39). However, GICHF may hold the applicant to the same standards of behavior to which it holds other potential tenants, even if the unsatisfactory behavior is related to the applicant's substance abuse. While early interpretations of the amendments didn't advise the same treatment for drug users, later court decisions have held that housing can not be denied simply because a person is recovering from a drug addiction (Daniels, 1995, 22).

For example, the applicant who may have a history of substance abuse but no history of property damage may be considered more favorably than another applicant who has a history of substance abuse but has a history of property damage. It is important that this distinction be made when making reference calls, and that the history of property damage is recorded in the applicant’s file.

Part 5: Security Deposits

Security deposit charges must be the same for everyone (Daniels, 1990, 49). For instance, GICHF may not charge a family with children a larger security deposit than it would charge a renter without children nor can it require a security deposit from a family with children if it not required from other renters. In case GICHF takes on non-Section 8 tenants, the organization may charge higher deposits for larger units. GICHF may also want to have different security deposits for different tenants based on the tenant’s ability to pay. If this is the case, GICHF will need to develop specific income standards--such as a sliding scale--for the security deposits.

As a landlord, one way the GICHF can protect itself from costly repair bills is to establish a housing trust fund (HTF) (or a similarly-structured escrow account) with tenants’
security deposits. The deposits can generate interest to go toward damages when they do occur and exceed the tenant’s deposit.

**Section 4: Clients with Disabilities**
The law gives a person with a disability the right to modifications to a unit at his or her own expense if the modifications are necessary to give the person full enjoyment of the unit (Daniels, 1990, 28).

If a client requires modifications to their unit, they must provide a “description of the proposed modifications; assurance that the work will be done competently; and that they have secured and maintained any required building permits” (Daniels, 1990, 29). Also, the occupant must agree to restore the premises to the condition that existed before the modification.

In order to make sure the money will be available for restoration, it is permissible for GICHF to require a client to pay an amount into an interest-bearing escrow account. The payments in total should not exceed the cost of the restoration (Daniels, 1990, 29).

If GICHF does have a client who requires modifications, the client should sign a written agreement. The agreement should detail the extent of the modification and restoration, and should include provisions of the escrow account.

In determining whether an escrow payment is necessary, the staff are probably going to have to make a case by case decision. Safe factors for the decision are the nature of the required modifications, the duration of the lease, and the tenant history of the applicant (Daniels, 1990, 29).

**Section 5: Evictions**
It would be illegal to evict someone because he or she has filed a Fair Housing complaint against GICHF. However, the organization may evict someone in a protect class if he or
she violated the rules of the lease (Ryan, 1993, 41). Accordingly, rule enforcement should be the same for all occupants.

Additionally, the GICHF has an obligation that all occupants can enjoy the use of their property. Failure of GICHF staff to investigate inter-tenant complaints concerning sexual, racial or other harassment is a violation of the Fair Housing Act amendments. GICHF would be liable if it failed to evict or otherwise discipline a client who persecutes tenants based on their protected class. (See BRADLEY v. CARYDALE ENTERPRISES and U.S. v DANA PROPERTIES in Appendix 2).

Chapter Summary

If the contents of the chapter were to be summarized in one sentence, that sentence would be “treat every client the same”. However, this is an unrealistic practice for a social welfare agency such as GICHF, whose mission is to provide housing for people with special needs.

However, the GICHF can protect itself by creating flexible standards for client selection. The development of standardized office procedures for handling applications and security deposits can ensure all clients receive identical treatment, even if the agency operates based on a sliding scale. Finally, a formal grievance procedure can further protect the agency and staff member’s reputations in case of accusations.

Greater Iowa City Housing Fellowship Board and staff can work together to develop standards that will protect both agency and client interests. The flexibility in the agency standards will logically come from the issues the GICHF intends to address, such as income levels and rental history. In this way, client differentiation based on protected class, and Fair Housing violations, are unlikely.
References and Suggested Readings


CONCLUSION

The three chapters included in this document provide a wide range of topics that could be explored individually at length. The information presented on public-private partnerships, alternative housing organizations, and fair housing laws is intended to provide an overview of the many concerns and interests that the Housing Fellowship may consider. As the GICHF seeks to expand its ability to serve the housing needs of persons with low incomes, increased awareness of the breadth of issues that surround the development and maintenance of affordable housing is necessary to utilize available resources, to avoid potential pitfalls, and to meet the needs of its residents as best as possible.

A number of potential opportunities exist in working with private developers through public-private partnerships. However, it is important for the Housing Fellowship to have a clear vision of its goals, to establish the networks of public, private, and nonprofit interests to realize its goals, and to appeal to the business interests of developers. By being as informed as possible, GICHF may also be able to combat some of the NIMBY concerns that have been barriers to the development of affordable housing in Iowa City.

By working with other groups such as the City of Iowa City, and other housing nonprofit agencies, mechanisms such as a mandatory inclusionary zoning ordinance and joint ventures between private and public interests may be instituted. Such organizations as community land trusts (CLTs) and housing trust funds (HTFs) may provide both short- and long-term ways of obtaining land developable for affordable housing and for increasing the resources available to develop housing. With an increased awareness of the opportunities available to help develop affordable housing, the GICHF may provide the necessary impetus to call attention to the housing needs of lower-income households, and may take a prominent leadership role in improving the overall availability and condition of affordable housing stock in the Iowa City area.
Increased awareness of the issues surrounding affordable housing not only calls attention to the possibilities of future projects, but also to the conditions under which the GICHF's existing properties are managed. Knowledge of fair housing laws that apply to the Housing Fellowship's operations may provide protection to the GICHF during its dealings with prospective tenants while allowing for it to protect its units from premature deterioration due to tenants' actions. Awareness of these laws may also help understand the barriers lower-income tenants may face in seeking housing in the Iowa City area, as well as increase sensitivity to the ways the GICHF can be discriminated against when acquiring land to be developed for affordable housing.

The Fair Housing Act discussion begs the question of the GICHF's future role as a landlord. The development of an apartment complex may mean that GICHF will continue as a property manager. In this case, the landlord/tenant relationship is strictly defined. However, some of the options presented in this report would expand tenant participation into property management activities.

In the formation of a Community Land Trust (CLT) (as discussed in Chapter 2), the GICHF would maintain some of its responsibilities as a property manager, but may turn over the ownership of the buildings to the tenants themselves. In this way, GICHF may take on the role of brokering the units originally, but have little to do with the physical maintenance of the units after they are sold.

If the GICHF chooses to develop a Mutual Housing Association (MHA) (also discussed in Chapter 2), tenants may have a majority voice in all decision and actions of the MHA. In this situation, the GICHF may take on the role of technical advisor or service coordinator for the MHA. Also, the GICHF may chose to initiate the development of an MHA as a separate, stand-alone organization and continue managing its own units as they are. In any case, GICHF's role in the development and continued maintenance of its properties would be affected by the organizational structures it chooses to employ, the resources available, and the desired level of involvement from its tenants.
Further exploration of these areas may produce alternatives that can be tailored to meet the needs and interests of the GICHF. Though the Housing Fellowship may not be able to presently act upon all of the options presented in this document, the GICHF may be able to take advantage of similar opportunities in the near future. These opportunities provide ways for expanded tenant and board involvement in the GICHF, as well as opportunities for increased number of units available to low-income persons and for increased community awareness and involvement. By seeking, developing, and taking advantage of these types of opportunities, the Greater Iowa City Housing Fellowship may be better enable to meet its mission of increasing access to and availability of affordable housing to persons with low incomes.
Appendix 1: Sources of Additional Financial Assistance

This appendix lists and provides short descriptions of other sources of financial assistance GICHF may wish to pursue at a later time. Though not all of the resources described here may be available to the GICHF at any given time, they can often be pieced together to provide the funding necessary to complete projects the Housing Fellowship may be interested in. Most of the information presented here is from Developing Affordable Housing: A Practical Guide for Nonprofit Organizations by Bennet L. Hecht.

Section 1: FHLB of Des Moines

The Financial Institutions, Reform, Recovery and Enforcement Act of 1989 (FIRREA) provides nonprofit housing developers with unique loan opportunities through S&Ls. Two major programs were included in the legislation of FIRREA requiring all Federal Home Loan Banks to provide Community Investment Funds and the Affordable Housing Program to qualifying member lending institutions. The benefits of these programs are then passed on to borrowing nonprofit agencies and other developers of housing for lower-income households.

- Community Investment Funds (CIF) loan program allows and member of the Federal Housing Finance Board (FHF) to borrow money from its district FHLB at a discounted rate. The member then passes on this discount to the borrower in the form of a lower interest rate on the loan.
- Affordable Housing Program (AHP) is a competitive loan program which provides deep interest-rate subsidies to finance homeownership by families with incomes at or below 80 percent median income for the area. The program also provides loans to finance the purchase, construction, or rehabilitation of rental housing, provided that at least 20 percent of the units are occupied by very low-income households for the remaining useful life of the property, and that rents charged these households do not exceed 30 percent of their adjusted family income (Hecht 1994, p. 114).

Section 2: Federal Government Sources

HUD itself rarely acts as a lender for housing development projects; HUD generally provides grants, insures loans from other lenders, and provides monthly rental assistance. In the rare cases where it directly funds projects, HUD usually provides interest-free loans that are repayable only if the housing is not used for its stated intended purpose during a specified period of time. HUD's few direct-loan programs typically provide no-interest loans that are targeted toward the development of housing and supportive services to the elderly, persons with disabilities, and other populations. These loans do not usually require repayment so long as the housing is used for its stated, intended purposes for a specified period of time (Hecht 1994, Sec. 7.4).
HUD administers a number of grant programs aimed at a wide range of housing and community development projects. Funds from these programs can often be used in conjunction with CDBG or other sources.

- **Hope for Home ownership of Single-Family Homes (HOPE 3)** provides grants to private nonprofit organizations and public agencies working with nonprofits to allow these organizations to finance eligible homebuyers' direct purchase and rehabilitation of eligible single-family homes. The program funds may also be used for the acquisition and rehabilitation of single-family properties by nonprofit housing organizations for sale to and occupancy by families at affordable prices.

- **Low-Income Housing Preservation and Resident Home ownership (LIHPRHA/Title VI)** was enacted by Congress in order to preserve almost 400,000 units of affordable rental housing for long-term use by low-income families. Under the program, qualifying resident organizations that seek to create homeownership opportunities for low-income persons may receive grants from HUD to cover predevelopment costs, acquisition, rehabilitation, conversion, and relocation costs as well as counseling and training services for prospective buyers.

- **Emergency Shelter Grants Program** provides funds for safe and sanitary shelter, supportive services, and other assistance to homeless people and families. Eligible activities include rehabilitation, renovation, or conversion of buildings for use as emergency shelters for the homeless. Grantees may also spend funds for essential social services for the homeless, within certain limits. Funds may also be spent on maintenance, insurance, utilities, and furnishings, but may not be spent on staff payroll expenses.

- **Supportive Housing Demonstration Program - Transitional Housing Component** provides grants to public and private nonprofit entities in order to defray the costs of acquiring and/or rehabilitating existing buildings to house homeless persons and to provide supportive services to homeless persons. Funds can also be used to pay a portion of annual operating costs, child care, employment assistance program, and other supportive services. (Hecht 1994, Sec. 8.1).

**Section 3: Nonprofit Sources**

- **Local Initiatives Support Corporation (LISC)**, the nation's largest community development support organization, provides grants and loans for affordable housing projects to nonprofits, CDCs, neighborhood groups, and other organizations. Assistance has been given to a wide range of projects, including acquisition, construction, and rehabilitation of rental and owner-occupied properties, support services and training programs to CDCs, and

- **National Community Development Initiative (NCDI)** was designed to increase and support the roles of CDCs nationwide. NCDI provides grants and loans to local
CDCs to increase the building and rehabilitation of affordable housing and to aid CDCs address a wide range of other needs.

- **Institute for Community Economics (ICE)** provides technical assistance to community development groups and provides capital to lower-income communities in need of community development funds. The ICE Fund provides loans to a wide variety of projects, and allows for the acquisition, construction, or rehabilitation of units for low-income use.

**Section 4: National/Regional "Intermediary" CHDOs**

This is a list of CHDOs who received HUD grants to provide assistance to local CHDOs and development projects, and whose foci are similar to GICHF's interests:

- **Structural Employment Economic Development Corporation** provides technical assistance and training to CHDOs participating in the HOME program; their focus is on the economic development aspects of affordable housing projects.
- **The Community Builders, Inc.** provide training on the housing development and management processes that CHDOs are required to undertake; they also provide assistance to specific housing development projects.
- **Center for Community Change** provides technical assistance to CHDOs in small cities throughout the nation, and administer pass through funds for organizational support.
- **Iowa Housing Corporation** provides training and direct technical assistance to CHDOs through Iowa. (Hecht 1994, p.10-12).
Appendix 2: Master Lists

GICHF currently runs at a very low vacancy rate. However, if GICHF were to take on the management of a larger complex, a master list is a good way to protect GICHF from Fair Housing accusations by making unit availability information available for everyone. A master list is a list of all available units as they become vacant. GICHF could either post it or make it available for everyone who applies. Obviously, posting such a list is much easier and cheaper to maintain than a mailing list or newsletter, but these are also options for updating people on the waiting list.

If GICHF were interested in developing a master list, Daniels, 1990, 48, includes some good procedures for using a master list including:

- "Keep the information on the list current by updating it on a standard schedule—either weekly or monthly.
- Date the posted list so that applicants know when it last updated.
- Develop procedures for when a unit is advertised on the list and when the unit is to be removed.
- Make sure the list is available to employees when dealing with the public so that the employee gives each prospective applicant consistent and accurate information".
Appendix 3: The Fair Housing Enforcement Process

Even though the Fair Housing rules have become stricter over the years, discriminatory practices continue. GICHF staff and board may want to be familiar with the enforcement process so that they can give information to their clients who may have experienced discrimination.

Section 1: Complaint Initiation

Any person who claims to have been injured by a discriminatory practice may file a complaint with the Department of Housing and Urban Development (HUD) up to one year after the incident. Any one may file a complaint, even if they had no actual intention to purchase, rent, or reside in the dwelling. A complaint can be filed against the owners or manager or the real estate agent based on their own actions or based on the conduct of employees or agents of the owner/manager (Daniels, 1990, 60).

Part 1: Answering the Complaint

Within 10 days after the complaint is filed, HUD will notify the respondent (person/agency charged with discrimination) who must respond within 10 days with an answer to the complaint (Daniels, 1990, 60). If the GICHF were to receive a complaint, the first step is to contact an attorney immediately to begin formulating an answer.

The answer should address each and every issue brought up in the original complaint. The answer will also contain supporting documentation, such as client tracking sheets, reference checks, master listings and credit/tenant histories (Daniels, 1990, 63).

Part 2: HUD Investigation

HUD will investigate the complaint, and, within 100 days, compile a final report. During this time, HUD will seek voluntary cooperation of all persons under investigation. (Daniels, 1990, 61). HUD will also attempt to conciliate the complaint and find a settlement acceptable to both parties.

If the parties can’t agree on a settlement, HUD General Counsel will determine whether there is reasonable cause to believe that a discriminatory housing practice has occurred. If there is reasonable cause, HUD will issue a short written statement of the facts upon which it’s findings are based (Daniels, 1990, 61).

Part 3: The Next Step

After HUD issues this statement, the two parties have 20 days to decided whether to go to a jury or through administrative proceedings (Daniels, 1990, 62). If neither party wants to go to court, the matter will be hear by an Administrative Law Judge (ALJ); if either or both parties want to go to court, then the matter will be referred into a court of law (Daniels, 1990, 62).
Part 4: Penalties

An Administrative Law judge may award up to $10,000 if the respondent has no prior convicted Fair Housing violations. However, the penalties are higher if the respondent has prior violations, including penalties up to $25,000 if they have been guilty in the past 5 years, up to $50,000 if found guilty of two or more during the 7 year period preceding the date of the charge (Daniels, 1990, 63).

The time limits do not apply if the respondent is the same natural person who committed the earlier discriminatory practices. Courts of law may assess unlimited punitive damages. Section 2 describes some historic Fair Housing cases and describes the penalties that have been awarded.

Section 2: Fair Housing Cases

These cases were extracted from Alderton, 1992, pages 18-20.


WESTCHESTER FAIR HOUSING COUNCIL v WESTCHESTER INVESTMENT CO. (California, No. CV 88-00794 JMI) This $450,000 settlement after two years of litigation is believed to be the largest ever in a Fair Housing lawsuit. The decision determined discrimination against Black person was practiced by a Los Angeles rental complex who denied tenancy to a white male’s Black roommate. 1988.

MARTIN v KINGS HIGHWAY REALTY (New York No. 87 Civ 3453) A $32,000 settlement in a case where a Black police officer was denied an apartment. Respondent was ordered to reserve four apartments for Blacks and Hispanics. 1989.

JULIANO v. MORRIS CROCKER ASSOCIATES. (California No. H-141634-5) An owner of an apartment house permanently enjoined from imposing occupancy limit of few than four persons in a two bedroom unit. 1989.

HUD v BLACKWELL (Georgia, No. HUD ALJ 04-89-0520-1) A real estate agent as fined $65,000 in total damages, $10,000 civil and fine and also ordered to pay Black couple $40,000 for emotional distress, embarrassment, and humiliation and $20,000 to a white couple who moved into the house for three weeks and were forced move by a court order. 1989.

SPANN v POTOMAC INVESTMENT ASSOCIATES (Maryland No CIV 87-1154) Developers and advertising agency paid $325,000 to settle lawsuit alleging they used only white human models in ads for their housing development. 1989.

ROBINSON v HARBOR COURT ASSOCIATES (Maryland No. HAR-90-991) Developer and advertising agency agreed to a $155,000 settlement of suit alleging use of all white human models for condominium complex was racially discriminatory. 1990.
RAGIN v STEINER, CLATMAN AND ASSOCIATES (New York, No. 87 CIV 9028)
Real estate developer and advertising agency agreed to settle race discrimination complaint by paying $245,000 to two black couples, a fair housing group, and their attorney, and by publishing extensive corrective advertising. Complainant alleged defendants used only white models in ads. 1991.

HUD v. YAVALAR No 03-90-0072-1. Newspaper paid $3,500 to settle complaint which alleged it published a classified advertisement indicating a preference based on familial status.

SPANN v GERSTIN (District of Columbia No 86-3196-HHG) Federal jury awarded $850,000 alleging use of all-white models in newspaper advertisements for condominium complex indicated a racial preference. 1992.

RAGIN v HARRY MACKLOWE REAL ESTATE CO. (New York No 88CV5665) Federal jury fund advertising campaign for luxury apartment buildings which used only white models violated Fair housing Act and awarded $200,000 in compensatory damages and $62,500 in punitive damages to private Fair Housing group and to two African-American couples.

BRADLEY v CARYDALE ENTERPRISES (Virginia, ED Va. 10-16-89) An $120,000 settlement, the largest housing discrimination settlement in Virginia. A tenant’s complaints of racial harassment by another tenant were ignored by apartment management who tried to retaliate by evicting harassed tenant because she filed discrimination complaints.

US v CITY OF CHICAGO HEIGHTS (Illinois No 89 C 4981 ) A $45,000 fine paid by the city and an agreement to permit construction of a group home for 15 mentally retarded adults. First lawsuit filed by the Justice Department alleging housing discrimination based on Disability.

MOULD v I.C.I (California, No. 001201) Apartment management company agreed to pay $1.1 million settlement of class action lawsuit alleging it required employees to code rental applications according to prospective client’s race.

US v. DANA PROPERTIES (California, No S 90-0254 LKK) Owners of apartment complex settle to sexual harassment lawsuits $1.65 million. Female plaintiff claimed defendants took no action when they reported resident manager’s behavior which included verbal and physical harassment, asking for sexual favors, and unauthorized entry into their apartments. 1992.

US v NEW YORK CITY HOUSING AUTHORITY (New York No 92 CIV 4873) Housing Authority agreed to $20 million settlement of two lawsuits alleging racial steering in the selection and assignment of tenants.
US v STARRETT CITY ASSOCIATES (New York) 660 F. Supp 668 (E.D.N.Y. 1987) F.2d 1096 Most important “integration maintenance” case to date held that racial quotas used by a large apartment complex to foster integration violated the Fair Housing Act.

BRONSON v CRESTWOOD LAKE Section 1 Holding Corp. No. 89CIV 5386 (S.D.N.Y. 10-23-89) Housing development rental policies barring holders of Section 8 vouchers and requiring tenants to have an annual income at least three time the annual rate violated Title VIII because they have a disparate impact on minorities.

HOUSTON v CITY OF COCOA (Florida No.879-082-CIV-ORL-19) City agreed to pay plaintiffs, rezce area scheduled for development, and provide financial assistance for housing rehabilitation to file a lawsuit claimed city zoning, land-use planning, and redevelopment activities were racially discriminatory.

HUD v. PARKED (California No. 09-89-1485-1) Owners managers of apartment complex settled lawsuit alleging they attempted to evict tenant who used wheelchair and service dog, interfered with her use of dog, charged “pet deposit” and verbally harassed her.

HUD v. ROMINE (Texas No 06-90-0287-1) Owner of 48 Dallas Forth Worth apartments settled complaint alleging familial status discrimination because of policy that limited occupancy in to -bedroom apartments to three people. 1991.

HUD v JOHNSON (Nebraska, No. 07=89=0474-1) Owner of 4-bedroom house settled familial status complaint alleging refusal to rent to woman with 5 children. 1991.

HUD v. FISHER (No. 10-89-0370-1) President of condominium owner’s association and resident manager settled family status complaint alleging they attempted to prevent complainant from moving into unit with her two year old son. 1991.

US v CITY OF MILL VALLEY (California No 91 0482) City modified design review procedures of zoning code to settle lawsuit alleging it refused to allow a family to build new home with features to accommodate handicapped child. 1991.

DOE v CAMARGO MANOR (Ohio No. C 1-90-107 Nursing home which allegedly denied residency to HIV positive patient because of his illness settled lawsuit. 1992.


US v BOBBIE DICKENSON, ET AL (Washington No. C91-73Z) Defendant’s policy of charging an $85.00 rent differential per person was determined to be discriminatory because the effect was to discourage families with children from applying even though the policy was applied to all applicants. 1992.