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U.S. House Subcommittee holds hearing on EHI's draft Economic Fair Housing Act (EFHA) and other proposals for reducing exclusionary housing practices

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On October 15, 2021, a Congressional subcommittee heard Richard Kahlenberg, Senior Fellow at The Century Foundation, testify in support of the proposed Economic Fair Housing Act (EFHA). Its provisions were proposed initially by EHI,¹ and EHI assisted Mr. Kahlenberg with his hearing preparation.

Mr. Kahlenberg, who has spearheaded the public advocacy for the EFHA, testified before the House Financial Services Subcommittee on Housing, Community Development and Insurance. He pointed out that exclusionary housing practices have a severe and ever-increasing impact on housing opportunities for low- and moderate-income Americans. He also noted that those practices have disproportionate effects on members of minority groups.

Mr. Kahlenberg also pointed out that the EFHA differs from the numerous other proposals that he testified about (including the Biden Administration's proposals) because the EFHA would contain strong enforcement provisions (the same ones already in the Fair Housing Act)—and would expand them to cover exclusionary housing practices against all low- and moderate-income Americans.²

Since the enactment of the federal Fair Housing Act in 1968, there has been steady (albeit modest) progress, overall, in reducing the forms of housing discrimination it prohibits, with respect to members of minority groups it protects. However, that statute has not stemmed the tide of economic discrimination caused by exclusionary housing practices, which increasingly impact *low- and moderate-income* members of minority groups and of the general population. Since 1968, there has been a dramatic rise in the proportion of

¹ EHI, *Economic Fair Housing Act of 2021: Partial Draft Bill and Comments*, posted at: https://www.equitablehousing.org/images/PDFs/PDFs--2018-/EHI_Economic_FHA_of_2021_draft_rev_11-30-20.pdf.

² The seven other proposals for federal action that he testified about had been discussed at the December 2020 Roundtable of housing experts hosted by his organization, The Century Foundation. Those are various proposals to create new financial incentives for states and localities to reduce those practices, or tie existing, housing-related federal grants to anti-exclusionary actions by states and/or localities, and/or improve enforcement of Fair Housing Act requirements as to disparate impacts on minority group members.

low-income members of minority groups, as well as other low-income Americans, who are forced economically to live in low-income neighborhoods.

For example, an important series of studies found that between 1970 and 2012, the proportion of families in America's large metropolitan areas who lived in predominantly "rich" or "poor" neighborhoods more than doubled, from 15 percent to 34 percent.³ Those studies also found a significant, and fairly steady, increase in residential isolation by income in smaller metropolitan areas during that period.⁴

The consequences of that residential isolation are visible. More and more low-income people are unable to attend high-performing schools. They live in areas with few good-paying jobs, and they contend with limited local services. Those problems are not being brought under control by existing laws or programs at any level of government, and they are undermining fair housing opportunity for minority group members and low- and moderate-income Americans generally.

³ K. Bischoff & S. Reardon, *The Continuing Increase in Income Segregation, 2007–2012*, STANFORD CENTER FOR EDUCATION POLICY ANALYSIS 5 (2016). (The percentage who lived in predominantly "middle-income" neighborhoods declined about a 24 percent between 1970 and 2012 (from 85 percent to 66 percent of the residents of those metros). Those large metros are home to roughly 65 percent of the total U.S. population. K. Bischoff & S. Reardon, *Residential Segregation by Income, 1970-2009*, STANFORD CENTER FOR EDUCATION POLICY ANALYSIS 7 (2014).

⁴ Bischoff & Reardon (2016), at 5–6, 17 (In those smaller metros, according to the study, the percentage of families who lived in predominantly "rich" or "poor" neighborhoods, as opposed to middle-income neighborhoods, rose from 9.6 percent in 1970 to 21.6 percent in 2012).