Housing Discrimination against Hispanics in Private Rental Markets

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A landlord charges twenty dollars per person per day for eight persons to live in a substandard trailer. Children spend the winter in an apartment with no heat, although their parents were assured at the time of rental that the unit was heated. A landlord routinely refuses to refund security deposits owed to tenants. A baby is bitten by the rats that share his abode.

The tenants in the preceding stories are all members of North Carolina’s growing Hispanic population. For any tenant, such experiences represent poor housing conditions and possible violations of North Carolina’s landlord-tenant laws. However, for a significant percentage of the Hispanic population, the stories reflect not only poor housing conditions but also discrimination in private rental markets.1

Not every case in which a tenant is forced to live in inadequate housing or to pay excessive rents constitutes a case of discrimination. A showing of discrimination requires that there be at least two groups of people who are similarly situated but unequally treated. So, in the preceding stories, there is no discrimination unless the landlord provides better services and facilities or charges lower rents to similarly situated non-Hispanics.

Various provisions in the U.S. and North Carolina Constitutions, state statutes, and municipal ordinances prohibit discrimination in housing. Typically the prohibitions apply to differential treatment based on race, color, sex, national origin, disability, familial status (whether or not families have children under age eighteen), and religion. The actions that are covered usually include the sale, rental, financing, and brokering of housing.

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Top: a kitchen sink with no plumbing underneath; above: a gaping hole in the ceiling over a shower.
Race is the most frequently cited basis for housing discrimination complaints in North Carolina. African Americans make up the majority of complainants, and most of the complaints involve rental properties where property managers and landlords purposefully give misinformation about housing availability and cost to avoid renting to such people. But industry watchdogs estimate that the state’s emerging Hispanic population is the fastest-growing target of discrimination. Further, the cases of discrimination against Hispanics differ from those involving African Americans in that they typically do not involve refusals to rent. Instead, they involve differential and discriminatory provision of rental services, privileges, terms, and conditions.

This article focuses on the extent of such discrimination, individuals’ recourse under existing laws, and local governments’ options to encourage use of those laws.

Housing problems may violate other laws than those prohibiting discrimination. An in-depth discussion of them is beyond the scope of this article.

**HOUSING CONDITIONS**

The 1990 census and more recent surveys reveal that Hispanics are both disproportionately poor and disproportionately poorly housed. In North Carolina, Hispanic renter households have the highest incidence of housing problems (see Figure 1). In 1990, almost 80 percent of Hispanic renter households that earned 30 percent or less of the median household income in their area experienced at least one housing problem, as did about 75 percent of the Hispanic renter households in the 31–50 percent income group. Housing problems include structural problems, excessive rent burdens, and overcrowding.

Structural problems are defined by the census as incomplete kitchen or plumbing facilities. The definition does not include other important structural deficiencies, however, such as unsafe wiring, leaking roofs, and holes in floors or walls, and there are no reliable statewide data to reflect the extent to which Hispanics live in housing characterized by such deficiencies.

Excessive rent burden is defined as paying in excess of 35 percent of gross household income in rent. North Carolina’s statistics regarding excessive rent burdens mirror national findings. For example, the average rent in Wake County is $480 per month, but 44 percent of Hispanic households pay $500 to $749 per month, even though these households are poorer than the average Wake County household. Reports from the U.S. Department of Housing and Urban Development (HUD) indicate that Hispanics have the “worst case housing needs” of any group. The phrase describes households that do not receive federal housing assistance, pay more than 50 percent of their income for rent, and earn less than half of the median family income for the area in which they live.

Overcrowding is defined as having more than one person for each room in a dwelling. A family of six living in five rooms—two bedrooms, one bathroom, one kitchen, and one living room—would be considered overcrowded. In a typical situation, again in Wake County, a Hispanic household may consist of four adults and five children living in a small, two-bedroom apartment.

**HOUSING DISCRIMINATION**

Low income alone cannot fully account for the poor housing conditions in which many Hispanics live. When common factors, such as financial resources, are taken into account, differences in housing conditions still remain. Nationally, Hispanics are twice as likely as whites to be inadequately housed or overcrowded.

In considering the Hispanic housing problem generally, and housing discrimination specifically, it is important to recognize the significant diversity among Hispanics and their very distinct experiences with housing based on their country of origin and their region of residence in the United States. For example, Cubans tend to be the most integrated and the most affluent Hispanic group and have had the least difficulty accessing housing markets. On the other hand, Puerto Ricans, largely residing in New York, are the poorest and have had the most difficulty accessing housing markets. In North Carolina the stories of housing discrimination against Hispanics primarily involve people from Central America. Studies in other states indicate that some Hispanics, particularly those who are dark skinned, experience substantial discrimination in the private housing market. A study of housing discrimination released by
HUD in 1991 indicated that Hispanic renters seeking homes experience discrimination in at least half of their encounters with rental agents and landlords.15

Researchers studying North Carolina’s Durham County concluded that “finding safe, affordable housing in good condition can be especially difficult” for Hispanics. According to one community organizer cited in the study, “everywhere we go [in Durham] where there is substandard housing, there are Hispanics.”16 The study pointed to discrimination, language barriers, and immigration-related issues as causes for the poor housing conditions among Hispanics. Service providers and community members complained that some landlords preferred to rent to Hispanics, for Hispanics were willing to accept poorer conditions and were less likely to complain because of language barriers, unfamiliarity with housing laws, and fear of deportation even when they were in the country legally.

LAWS PROHIBITING DISCRIMINATION

The Fair Housing Act

Title VIII of the Civil Rights Act of 1968, also known as the Fair Housing Act, is the principal federal statute designed to combat housing discrimination.17 Congress passed the Fair Housing Act in 1968 primarily to eliminate racial discrimination in housing. However, the original protected classes included not only race but also color, religion, and national origin. Gender was added in 1974, familial status and disability in 1988.18 Title VIII is enforceable through a suit in court or through the filing of an administrative complaint with HUD or a substantially equivalent agency. The North Carolina Human Relations Commission and seven local human relations commissions are considered substantial equivalents to HUD (for information on how to contact these and other human relations commissions in North Carolina, see the sidebar on page 48).19

Section 1982

Section 1982 of Title 42 of the U.S. Code—part of the Civil Rights Act of 1866—protects citizens of the United States from racial discrimination in, among other things, private and public rental housing. Although Hispanics are not technically a race (the group consists of many races), the statute prohibits discrimination against Hispanic citizens in rental housing20 because Section 1982 defines racial discrimination as Congress considered it in 1866. Thus Section 1982 protects citizens against discrimination based not only on racial characteristics but also on ethnic characteristics and ancestry that were considered racial in the nineteenth century. Hispanics were considered a race in 1866.

Section 1981

Section 1981 of Title 42 of the U.S. Code—another part of the Civil Rights Act of 1866—prohibits discrimination based on race in the making of contracts. Section 1981 grants to all people the same rights as “white citizens” to make and enforce contracts. The statute is broad enough to cover housing discrimination cases alleging refusal to rent or to grant privileges that normally accompany rental contracts. Section 1981 applies to private as well as public discrimination.21 Like Section 1982, Section 1981 protects all people who were considered to be nonwhite in 1866.22 Section 1981 is broader than Section 1982,
# RESOURCES IN NORTH CAROLINA

## HUMAN RELATIONS AGENCIES

- **Asheville-Buncombe Human Relations**
  - Bob Smith, Director
  - 50 South Frenchbroad Avenue, Suite 214
  - Asheville, NC 28801
  - Phone (828) 252-4713
  - Fax (828) 252-3026

- **Cabarrus County Human Relations**
  - Greg Stewart, Director
  - 104 Church Street
  - Concord, NC 28025
  - Phone (704) 795-3537
  - Fax (704) 786-7431

- **Charlotte-Mecklenburg Community Relations**
  - Willie Ratchford, Director
  - 600 East Trade Street
  - Charlotte, NC 28202
  - Phone (704) 336-2424
  - Fax (704) 336-5176

- **Duplin County Human Relations**
  - Warren Helper, Director
  - Wallace, NC

- **Durham Human Relations**
  - Chester Jenkins, Director
  - 101 City Hall Plaza
  - Durham, NC 27701
  - Phone (919) 560-4107
  - Fax (919) 560-4092

- **Fayetteville Human Relations**
  - Theo McClammy, Director
  - Elmer Floyd, Manager
  - City Hall—433 Hay Street
  - Fayetteville, NC 28301
  - Phone (910) 433-1696
  - Fax (910) 433-1535

- **Gaston Human Relations**
  - Hugh Grant, Director
  - P.O. Box 1578
  - Gastonia, NC 28053-1578
  - Phone (704) 866-3692
  - Fax (704) 852-6048

- **Goldsboro Community Affairs Commission**
  - LaTerrie Ward, Director
  - P.O. Drawer A—City Hall
  - 214 North Center Street
  - Goldsboro, NC 27533
  - Phone (919) 735-6121
  - Fax (919) 580-4344

- **Greensboro Human Relations**
  - John Shaw, Director
  - P.O. Box 3136
  - Greensboro, NC 27402-3136
  - Phone (336) 373-2038
  - Fax (336) 373-2505

- **Greenville Human Relations**
  - Cassandra Daniels, Director
  - 201 Martin Luther King Drive
  - Greenville, NC 27835
  - Phone (252) 329-4494
  - Fax (252) 329-4313

- **High Point Human Relations**
  - James Pettiford, Director
  - P.O. Box 230
  - High Point, NC 27261
  - Phone (336) 883-3124
  - Fax (336) 883-3419

- **Lexington Human Relations**
  - Jean Thompson, Director
  - 28 West Center Street
  - Lexington, NC 27292
  - Phone (336) 248-3955

- **Lumberton Human Resources Department**
  - James Moore, Director
  - P.O. Box 1388
  - Lumberton, NC 28359
  - Phone (910) 671-3832
  - Fax (910) 671-3814

- **New Hanover Human Relations Commission**
  - County Administration Building
  - 402 Chestnut Street
  - Wilmington, NC 28401
  - Phone (910) 341-7171
  - Fax (910) 815-3587

- **Orange County Human Relations Commission**
  - Annette Moore, Director
  - 110 South Churton Street
  - P.O. Box 8181
  - Hillsborough, NC 27278
  - Phone (919) 732-8181, ext. 2250
  - Fax (919) 644-3048

- **Raleigh Human Resources Division**
  - Hardy Watkins, Director
  - P.O. Box 590
  - Raleigh, NC 27602
  - Phone (919) 831-6101
  - Fax (919) 831-6123

- **Rocky Mount Human Relations Commission**
  - Loretta Braswell, Director
  - P.O. Box 1180
  - Rockymount, NC 27802
  - Phone (252) 972-1182
  - Fax (252) 972-1232

- **Wilson Human Relations Commission**
  - Maurice Barnes, Director
  - P.O. Box 10
  - Wilson, NC 27894-0010
  - Phone (252) 399-2308
  - Fax (252) 234-2054

- **Winston-Salem Human Relations Commission**
  - Eugene Williams
  - P.O. Box 2511
  - Winston-Salem, NC 27102
  - Phone (336) 727-2429
  - Fax (336) 748-3002

## LATINO ORGANIZATIONS

- **Latin American Resource Center**
  - P.O. Box 31871
  - Raleigh, NC 27622
  - (919) 870-5272

- **Latin American Association of North Carolina**
  - P.O. Box 20863
  - Raleigh, NC 27619
  - (919) 833-8225

- **El Pueblo Inc.**
  - P.O. Box 16851
  - Chapel Hill, NC 27516
  - (919) 932-6880

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* HUD substantially equivalent agency.
however, because it protects all people (including aliens), not just citizens.

The Equal Protection Clause

The Equal Protection Clause of the U.S. Constitution requires courts to scrutinize strictly any governmental distinctions based on “suspect classifications,” which include race, national origin, and alienage (whether or not a person is a citizen). To recover monetary damages for a violation of the U.S. Constitution, a plaintiff must sue under the Civil Rights Act of 1871, which is codified as Section 1983 of Title 42 of the U.S. Code. The purpose of Section 1983 is to allow people to seek compensation from local governments for violations of federally protected rights. A plaintiff may sue a private defendant under Section 1983 only when some nexus, or connection, exists between the private defendant’s action and the state. In other words, there must be some governmental, or state, action. The mere fact that a private landlord has received federal or state funding or is subject to heavy governmental regulation may not by itself provide a sufficient nexus for the court to find state action under Section 1983.23 The lower courts are in conflict about whether there is sufficient governmental action when a private landlord participates in the federal Section 8 program under Section 1437 of Title 42 of the U.S. Code, which provides vouchers or certificates for low-income people, to subsidize the cost of private rents.24

North Carolina Fair Housing Act

The state Fair Housing Act (Chapter 41A of the North Carolina General Statutes) makes illegal the same actions as the federal Fair Housing Act. The protected classes are race, color, sex, national origin, handicapping condition, and familial status. The state Fair Housing Act designates the North Carolina Human Relations Commission, which was created in 1963 to promote civil rights and equal opportunities for North Carolina residents, as the enforcing agency.

Grounds for Legal Action

The stories at the beginning of this article illustrate the poor housing conditions in which many Hispanics in North Carolina live. But to make a case of housing discrimination under any of the preceding laws, a plaintiff must show that the services or the facilities made available to Hispanics differ in quality from those made available to other groups.25 Moreover, under all the housing discrimination laws except the federal and state Fair Housing Acts, the plaintiff also must show that any discrimination was purposeful.26 This means that, under those housing discrimination laws, for a landlord or a property manager to be held liable, there must be some proof that he or she intentionally denied Hispanic tenants equal enjoyment of rental benefits because they were Hispanic.

Unlawful purposeful discrimination includes the following:

- Using different provisions in leases or contracts with Hispanics than in those with non-Hispanics
- Restricting the availability of facilities, such as an exercise or laundry room, to Hispanics while making the facilities fully available to all others
- Providing slower or lower-quality maintenance or repair services to dwellings owned or rented by Hispanics than to those owned or rented by others
- Requiring Hispanics to pay a higher security deposit than others must pay
- Refusing to return security deposits to Hispanics while refunding deposits to members of other groups
- Evicting Hispanics but not others for late payment of rent

Under the federal and state Fair Housing Acts, discrimination does not have to be purposeful. Discriminatory effect suffices. Thus a practice that is completely neutral on its face might be unlawful under either statute if a showing can be made that the practice has a disproportionate effect on a protected group. The following practices might be unlawful unless there is a legitimate, nondiscriminatory business justification:

- Refusing to allow unrelated persons to rent a unit together
- Imposing stricter occupancy limits than the law requires
- Requiring that English be spoken in common areas

Other Options

Despite decades of judicial and legislative pronouncements, housing discrimination remains an intractable problem. Steps that governments may take to combat the problem include market tests, or audits, to detect
misconduct; partnerships with housing organizations and other civil rights organizations to conduct outreach and education activities; and improved training of appropriate government officials and better coordination of local government efforts pursuant to the fair-housing component of consolidated plans (described later).

Audits
Private organizations like the North Carolina Fair Housing Center provide auditing services to local governments. In an audit, matched teams of at least two people of different racial and ethnic groups but of the same gender and approximately the same age test the market for differential treatment. The auditors receive the same training in how to behave during an audit and are assigned similar incomes, occupations, and family characteristics for purposes of the audit. During the audit they visit landlords or managers in succession (first one team member, then the other) to inquire about available housing. On a detailed survey form, each auditor separately records what he or she is told. Discrimination is determined by systematically less favorable treatment of minority auditors. The resulting data, which are the property of the local government, may be used to refine outreach and education efforts.

Partnerships
Many Hispanics are unaware of either their right to file a discrimination complaint or the process involved in filing one. This reinforces the need for education and outreach. Because the language barrier often is cited as a major contributing factor to Hispanics’ failure to access the system, local governments might consider partnerships with local Hispanic organizations to disseminate information in Spanish on laws prohibiting housing discrimination.

Consolidated Plans and the Requirement for Fair-Housing Analysis
Local governments also have the authority and even the legal responsibility in some circumstances to promote fair housing. Local governments receiving community development block grants or HOME low-income assistance funds must consider the impediments to fair housing within their jurisdictions and formulate a consolidated plan for using their federal dollars to overcome the barriers. In formulating the plan, local governments must consider all residents, including those least likely to raise their voices. The fair-housing provision offers governments an opportunity to support staff training and coordinate efforts to promote fair housing.

CONCLUSION
In North Carolina the problem of housing discrimination has become more complicated in recent years as the state’s demographics have shifted to a more multicultural society. Housing controls access to economic and social opportunity. It shapes social status and personal identity. A person’s place of residence determines the school that his or her children will attend and the kind of community in which the children will grow up. It often affects the quality of public services, including public safety and recreation. To promote the well-being of residents, local governments must protect the right of every one to be free from discrimination in choosing a place to live.

NOTES
1. Fair housing advocates around the state told these stories to the author during interviews from March to May 1999. The stories are consistent with a study of Hispanics’ housing conditions in Durham County, which revealed that 33 percent lived with cockroaches or rats; 23 percent lived with insufficient water, heat, or air conditioning; 22 percent had landlords who did not make timely repairs; 19 percent had windows and doors that did not work properly; and 14 percent lived in apartments in which the stove or the refrigerator did not work. Ben Cook et al., “Latinos of Durham County: A Community Diagnosis Including Secondary Data Analysis and Qualitative Data Collection” (unpublished manuscript, The University of North Carolina at Chapel Hill, April 1998).

8. “Consolidated Plan.”


11. Davis et al., “Latino Community of Wake County.”


Notwithstanding these changes, the Fair Housing Act has failed to meet its potential for eradicating discrimination in housing. Its case-by-case approach depends heavily on an individual claimant’s willingness to take on the financial and emotional burdens of protracted litigation. Moreover, it relies “on a tort liability model [that] requires the identification of a violation, the detection of a perpetrator, and proof at trial that the perpetrator’s act violates” the Fair Housing Act. Landlords and their agents rarely reveal an intent to discriminate, and injured parties may be unaware that the law has been violated. Boger, “Toward Ending Residential Segregation,” 1584.


19. The seven local human relations commissions that may handle fair housing complaints within their jurisdictions and seek reimbursement from HUD on a per case basis are those of Asheville-Buncombe, Charlotte-Mecklenburg, Durham, Greensboro, New Hanover, Orange County, and Winston-Salem. Other human relations commissions exist throughout the state. Many of them handle housing discrimination complaints but are not considered substantially equivalent agencies.


