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TO: PHB AI Stakeholder Committee Members

FROM: Moloy K. Good, Fair Housing Council of Oregon

DATE: February 25, 2011

RE: City of Portland Audit Testing Results

This memo presents the results of audit testing that we did in the City of Portland. This letter provides some background information and explanation of the results.

Background

In 2010 the City of Portland contracted with the Fair Housing Council of Oregon (FHCO) to conduct a series of audit tests. The purpose of these audit tests was to provide additional information for the City to consider as it conducted its Analysis of Impediments to Fair Housing Choice (AI). FHCO had previously conducted audit testing for the cities of Beaverton and Ashland to aid them in identifying impediments to fair housing choice, and to help them meet their obligation to affirmatively further fair housing.

Audit Testing Methodology

Testing is an effective method of determining whether a housing provider is engaging in illegal housing discrimination. Each test consists of two testers. One tester is a member of the protected class being tested, while the other tester is not. Each tester is given a profile that details where they are to seek housing, but more importantly, it provides them with information about what their income is, whether or not they are married, whether or not they have children (and if so, how many), why they are seeking new housing, and any other relevant information the tester may need to perform the test. The profiles for each test are calibrated so that, on paper, both testers are nearly identical except for their protected class status. Testers are also matched based on other characteristics such as their gender and age (unless we are testing for discrimination against either of those protected classes).

The testers are given their respective profiles and they then proceed to conduct the test as instructed. After completing their assignment the testers submit a written report that details their experience. Our office then compares the reports to each other. This side-by-side evaluation will reveal whether there are areas of differential treatment. Because the testers are evenly matched in all other characteristics, the only source for different treatment is their protected class status.

Explanation and Summary of Results

For this particular project we focused on two protected classes, race (African-American compared to white), and national origin (Latino compared to white). There were several reasons for choosing these two protected classes to test. Foremost amongst those reasons is that the original purpose of the Fair Housing Act was to eliminate discrimination based on race and national origin; furthering this purpose also complements the Portland Housing Bureau's Strategic Plan. Additionally, the Bureau had limited resources for this project, and while all forms of discrimination must be addressed, it was critical to begin with an examination of race and national origin discrimination.

For any given test there are three possible results: (1) the test shows different treatment, (2) the test does not show different treatment, and (3) the test is inconclusive¹.

As you can see from the attached chart, we performed 25 tests based on race (African-American compared to white) and 25 tests based on national origin (Latino compared to white). Of the race tests, 15 showed different treatment while 10 did not. Of the national origin tests 17 showed different treatment, 2 did not, and 6 were inconclusive.

These results are sobering, and for some they will be dispiriting. However, these results are an opportunity for us to candidly address some of the problems that racial and ethnic groups face today, and what are the most effective means of overcoming those problems. That is the whole point of conducting an Analysis of Impediments, and the more honest an assessment, the better and more effective the resulting recommendations.

Relevance of Results

There will probably be a lot of discussion on how relevant or representative these results are. While this is certainly a natural question, I fear it will end up either over-emphasizing or diminishing the importance of these results. These results are a snapshot of rental transactions. They are one point of measurement that should be considered with other relevant information (e.g. complaint data, demographic analysis etc.) However, with that understanding in mind, these results are a useful tool to assess what problems may exist today. The methodology I described above is sound, which gives us complete confidence that these results are accurate reflections of how our testers were treated.

Conclusion

I look forward to our continued discussion about the best ways to overcome the impediments to fair housing choice faced by residents of Multnomah County. I hope these results will help inform us as we move to the next stage in the struggle for fair housing for all.

If you have any questions please feel free to contact me at (503) 223-8197, ext. 103.

¹ "Inconclusive" test results generally occur when different treatment may be explained by an uncontrolled for factor. For example, if each tester speaks to a different agent, and they get different information, the presumption that this was due to race or national origin discrimination can be rebutted by the fact that one agent had different information than the other. In a complaint setting an "inconclusive" result would be retested to either get the testers to the same agent, or to determine if there is an entity-wide pattern of treating people differently based on a protected class.

2010 Portland Results

Portland Audit Results		
	Race	National Origin
Result Showed Different Treatment (Positive)	15	17
Result Did Not Show Different Treatment (Negative)	10	2
Inconclusive	0	6
Total	25	25

R- Race

NO- National Origin

PT- Protected Tester

CT- Comparative Tester

HP/LL/RP- Housing Provider, Landlord,
Respondent, or other agent

Positive Test Results Expanded

Race: PT was an African-American man; CT was a Caucasian man.

1. Agent told PT that the unit was available a week later than what agent told CT. Agent also disclosed an application fee to PT and not to CT. Agent was clearly less friendly towards the PT and very friendly towards CT.
2. Agent asked more questions of PT regarding ability to pay rent before showing unit. Agent disclosed to CT that rent included water/sewer/garbage but did not disclose to PT. CT was encouraged to apply while PT was not.
3. PT was told negative features by agent like the absence of washer/dryer. PT was questioned by agent as to why she was moving to area while CT was not. CT was told that rent included water/sewer/garbage but this was not disclosed to PT.
4. Agent did not disclose move-in special. Agent indicated a deposit amount up to 2.5x the rent to the PT while telling CT only up to 1.5x.
5. Agent disclosed move in special of 2 months free rent to CT but not to PT. Agent also told CT about other available units but did not for protected tester.
6. Agent told PT that range of move-in costs was between \$1495 and \$2040. Agent told CT range of move-in costs was \$720 to \$740.
7. Agent told PT higher rent of \$750 while CT was told \$695

2010 Portland Results

8. Agent quoted a higher amount for rent to PT. Agent did not give an application to PT while CT was given one with agent stating “I don’t usually give out applications.” Agent also told CT that most of deposit would be refunded and that there was a 12-month lease, information not provided to PT.
9. Agent told PT of numerous requirements to qualify for unit including providing pay stubs, but did not share these requirements with the CT.
10. Agent did not speak positively of unit to PT but did to CT. Agent also offered more information about complex and neighborhood to CT while PT had to ask for this information.
11. Agent disclosed many more positive features about both property and neighborhood to the CT than to the PT.
12. Agent disclosed to PT more costs including a \$150 holding fee, costs not disclosed to CT
13. Agent told PT that rent could be as high as \$695, but told CT that rent had been reduced to \$675.
14. Agent offered multiple units to CT including a better townhouse, but only provided information about one apartment to PT
15. Agent offered move-in cost to PT that was \$600 cheaper than what was offered to CT.*

National Origin: PT was a Mexican man; CT was a Caucasian man

1. Agent told PT that she would need to provide pay stubs to verify income but did not state this requirement to CT.
2. Agent volunteered positive information about unit to CT but needed to be prompted by PT in order to give info.
3. Agent disclosed move-in special to CT, but not to PT.
4. Agent disclosed move in special of 2 months free rent to CT but not to PT. Agent also told CT about other available units but did not for PT.
5. Agent did not offer laminated floor plan and brochure to PT but did to CT.
6. Agent did not disclose 1 month free move in special to PT.
7. Agent quoted deposit as \$845 to PT but only \$250 to CT. CT was given a brochure, application, and other materials by agent, but PT was not.

* This test result shows more favorable treatment for the PT than for the CT. Regardless, one tester is still being treated better than another based on the respective race of the testers.

2010 Portland Results

8. Agent told CT of more vacancies than PT. Agent told PT that range of move-in costs was \$1415 to \$2130, but told CT that move-in costs ranged from \$720 to \$740.
9. Agent told PT a deposit amount \$450 higher than CT.
10. Agent told CT that he was willing to create a payment plan for move-in cost so that tester did not have to pay at once, an offer not given to PT.
11. Agent asked PT “Are you Mexican?” Agent also questioned PT as to why a married couple would want a 3 bedroom house but did not ask this of CT.
12. Agent failed to show up for multiple appointments with PT and never called PT back.
13. Agent told PT that he had to pay application fee via money order. Agent also said to PT that he would like living there if he has kids as “They will have friends who are Asian, Hispanic, and black people” but did not make this statement to CT.
14. Agent told CT that \$1200 deposit was refundable. PT was not told that deposit was refundable. Agent told CT of positive features of unit like gas fireplace, stainless steel appliances, and on-site laundry.
15. Agent disclosed to PT more costs including a \$150 holding fee, costs not disclosed to CT.
16. Agent told CT that he could sign a six-month lease, but did not disclose this to PT.
17. Agent told PT that rent could be as high as \$695, but told CT that rent had been reduced to \$675.

Other Protected Classes

1. Possible discrimination based on marital status, sexual orientation, age: Agent stated “I want to rent this place to a family, you know, a normal family like a man his wife and his kids. I don’t want to rent to partiers or college kids or nothing. I don’t want some guy and his girlfriend and then she breaks up with him and then he gets another. I don’t want no guy with three girlfriends.”
2. Possible discrimination based on source of income: Agent told both testers that they needed to prove that they had worked in Portland for at least 3 months.
3. Possible discrimination based on familial status, marital status: Agent stated “This is an adult community so no one under 18 lives here.” Agent also stated that married couple could use same application if they had been married “for a while.”

2010 Portland Results

Results by Location and Protected class

Location	Positive		Negative		Inconclusive		TOTAL
	Race	National Origin	Race	National Origin	Race	National Origin	
Inner SE		3		1		2	6
Inner NE	1	2	3				6
Outer SE	4	1					5
Outer NE	2	1	1			2	6
North		2					2
Northwest	4	2	2			2	10
Southwest	4	6	3	1			14
Downtown			1				1
TOTAL	15	17	10	2		6	50

Geographical Definitions

Inner SE is south of E. Burnside, west of SE 82nd Ave., north of Milwaukie, and east of the Willamette River.

Inner NE is north of E. Burnside, west of NE 82nd, south of the Columbia River, East of N. Portland and/or the Willamette River

Outer SE is south of E. Burnside, east of SE 82nd Ave. to city limit, and north of Milwaukie

Outer NE is north of E. Burnside, east of NE 82nd Ave. to city limit, and south of the Columbia River

North is all of N. Portland including St. John's

Northwest is north of W. Burnside to city limit, west of the Willamette River to city limit

Southwest is south of W. Burnside to city limit, and west of the Willamette river (excluding downtown) to city limit

Downtown is south of W. Burnside, west of the Willamette River, north of I-405, and east of Washington Park