

HOUSING AND THE LAW: LESSON 3: HANDOUT 2

**ARTICLE: "U.S. IS INVESTIGATING CHARGES OF
BLOCKBUSTING"¹**

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Blockbusting is when home owners are persuaded to sell their property out of fear that a person of color might move into the community. Properties are usually sold by White people at a low price and then people of color are charged a higher price.

The United States Department of Housing and Urban Development has begun a preliminary inquiry into accusations from Brooklyn and Queens residents that real estate brokers are using tactics like race baiting to persuade them to sell their homes, a Federal housing official said last week.

Typically the practice, known as blockbusting, involves an agent claiming that property values will drop because members of minority groups are moving into the neighborhood. The agent tries to persuade the homeowner to let him sell the house before the values drop, and the agent then gains a commission.

It is a very serious issue and concern," said Elizabeth K. Julian, who heads the agency's Fair Housing Division in Washington, "and is one of the oldest and most insidious forms of housing discrimination. But it can be complex; you don't want to prejudge an issue."

Over the last three years, the Fair Housing Division has received 45 complaints of blockbusting throughout the country and none of them were proven, Ms. Julian said. The office receives 10,000 housing discrimination complaints a year.

Ms. Julian said her office was made aware of the problem last week by Representative Charles E. Schumer, a Democrat of Brooklyn. If his complaint is substantiated, violators could face \$50,000 in civil penalties and lose their real-estate broker's licenses, she said.

Mr. Schumer said in an interview that 30 residents accused brokers of making bigoted comments on visits to their homes and using coded hints about change in mass mailings. The inquiry focuses on 11 real estate agencies in Woodhaven, Glendale and South Ozone Park in Queens and the Brooklyn neighborhood of Canarsie, he said.

Blockbusting was a common practice in many American cities. The Fair Housing Act made it illegal, but it still continued to exist to some extent. Housing laws have at times been difficult to enforce when the discrimination is not overtly visible or when people responsible for enforcing the law downplay the discrimination.

¹ Retrieved from <https://www.nytimes.com/1995/10/22/nyregion/us-is-investigating-charges-of-blockbusting.html>.

Previously, New York had laws in place to prevent blockbusting. After these laws were removed, however, blockbusting became more common again the city.

Blockbusting complaints resurfaced in New York in 1994 almost as soon as the state, under court order, reversed a series of bans on homeowner solicitation by brokers that began in 1971, after abuses by agents in the 1960's and 1970's.

When the ban was lifted, thousands of residents began complaining about unwanted phone calls, impromptu visits and fliers from agents trying to drum up business. But most complaints treated the deluge as an annoyance rather than a violation of fair housing laws.

In July, the New York Department of State issued a **cease-and-desist order** in Queens, parts of the Bronx and Nassau County, barring agents from seeking out homeowners who did not wish to be contacted.

A **cease-and-desist order** is a document that tells someone or an entity to stop an illegal activity and to not begin doing it again.

Mr. Schumer, who represents parts of southern Brooklyn and slices of southern and central Queens, said he went to the Federal housing department because the New York State office had not gone far enough. He said the office should be trying to restore the bans.

"Neighborhoods are being ripped apart by a small bunch of rapacious and repugnant real estate brokers," he said. "What's so galling about this is that it was a problem that was solved and it was undone in one of the most **asinine** court decisions I've ever witnessed. I think the Secretary of State is **asleep at the switch**."

Asinine (adj.): something this is foolish, mindless, or silly

Asleep at the switch: a phrase that means someone is not alert or paying attention

Michael E. Stafford, New York Deputy Secretary of State, said workers had been following up on complaints of abuse in areas where the cease-and-desist-order is in effect and monitoring Brooklyn to determine if it should be included.

"H.U.D. certainly has a role to play in all of this," Mr. Stafford said.