

Self-Testing Goes Public, Leads to Better Housing Choice for All

Summary

The U.S. Department of Housing and Urban Development released a study in 1996 identifying significant barriers to housing choice in Monroe County, New York. Taking this as a challenge to do better, the Greater Rochester Association of REALTORS® joined forces with an advocacy group and did its own testing of local practices. The resulting report formed the basis for the Community Choice Action Plan, which has led to significant improvements in access to homeownership. Recognized by HUD as a “Blue Ribbon Practice,” the Action Plan is one of several successful diversity programs implemented in Greater Rochester.

Background

On July 24, 1964, the City of Rochester erupted in one of the worst race riots of that decade. Among the African American community’s major grievances was the substandard housing in their ghettoized neighborhoods, a result of the city’s de facto segregation.

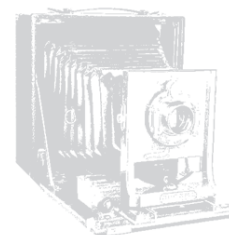
Change was slow in coming. In 1996, a HUD-funded study of barriers to housing choice in Monroe County found that the real estate advertising and sales process discouraged handling low-income properties and dealing with low-income buyers, and that no testing had been done to determine whether the county harbored discriminatory and illegal real estate practices.

The HUD “Analysis of Impediments,” or AI, was a kind of wake-up call for Rochester and surrounding Monroe County. “We felt we had been making good progress expanding housing choice in our area,” says John R. Piper, former CEO of the Greater Rochester Association of REALTORS® (GRAR), “but clearly we had to do a lot more.”

The initial challenge presented to the real estate community was to do its own local testing of current practices.

What the Association Did

About this time, the Housing Council of Monroe County, a highly respected nonpartisan advocacy organization, hired a new executive director, Anne Peterson, a former real estate broker from Syracuse, New York. Soon after the release of the AI, GRAR’s Piper enlisted the collaboration of Peterson and the Housing Council to carry out a confidential, countywide test of the real estate practices of GRAR member firms.



The GRAR Board understood that the monetary outlays involved in self-testing (about \$50,000) were preferable to the possibly high cost in public relations of pursuing third-party testing that might result in disparaging headlines and little in the way of corrective advice or training.

Once the testing was completed and the results evaluated, Anne Peterson wrote the report for the Housing Council, listing the positive and negative practices then in play, and presented her results in private meetings with GRAR firms.

The county's REALTORS® recognized that the testing had been done not to make headlines or to throw mud at their profession but to educate them on what they were doing well and ought to continue and what they were doing poorly and ought to correct. GRAR and the Housing Council then took a bold and surprising step. Since the report gave a candid view of real estate practices in the county but named no names (strong safeguards were built into the testing process to protect confidentiality), everyone involved agreed to make it public. That decision demonstrated to the people of Monroe County that the REALTORS® intended to be key players in whatever next steps were required to respond to the HUD-funded AI. "It was a very important step for us," says Piper, "because it said that we were not part of the problem, as some might like to think, but that we intended to be part of the solution."

Outcomes

The GRAR organized a county-wide strategy team, which in 1997 announced a Community Choice Action Plan and invited anyone—concerned residents, housing advocates, housing professionals, business people—to join one of five implementation task forces. The assignment of one task force was to improve real estate practices in Monroe County "to enhance housing choice for all residents of the metropolitan area." Specifically, the task force was charged with increasing REALTOR® participation "in listing and actively selling residential property in the City of Rochester, especially targeting middle-income buyers" and "to increase the number of minority real estate professionals." Achievements of the task force to date include:



Share of Monroe County's population:



One third of total



One third of Whites



80% of Hispanics and African Americans

Greater Rochester Association of REALTORS®

- A major “City Living” campaign designed to enhance the city’s real estate market for middle-income buyers. The campaign includes “City Living Sundays,” a popular and well-attended event actively supported by large numbers of the area’s REALTORS®.
- A REALTOR® support program within the “Home Room”—a City Living Resource Center sponsored by the local Landmark Society—to provide listing and advertising assistance to any REALTOR® selling housing properties in the City of Rochester.
- Contributions to the city’s homeownership revitalization programs, such as Home Expo, Home Rochester, Home Acquisition Program, and new construction subdivisions.
- Greater minority access to homeownership through a partnership with the Real Estate Board.

GRAR became one of the first half-dozen real estate associations in the country to offer At Home with Diversity®, a nationally recognized course designed by HUD and the NATIONAL ASSOCIATION OF REALTORS® that addresses day-to-day issues arising in the purchase and sale of homes. To encourage minorities to enter the real estate

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profession, GRAR extended its training programs and actively recruits minorities, offering \$250 scholarships for prelicensing training.

“We’ve done a number of things in response to the findings in the AI,” says Piper. “But the main thing we’ve done and that we continue to do is education. That’s the key to choice. Education is what opens the doors to the homebuyer, and education is what makes it possible for the REALTOR® to buy and sell housing not just according to the law but according to the needs and desires of the clientele being served, regardless of their background or social station.”

Education was very important for the REALTOR® community itself, says Piper. “At first, back in 1995 and 1996, not all our members understood the challenge facing our industry. Our Board moved ahead very carefully and discreetly, but it also put on a series of seminars that, piece by piece, rolled out the scope and depth of the job we were taking on. Since that time, the GRAR Board has fully accepted the responsibility of member training not only with respect to the laws and regulations governing our profession but also with respect to social issues like diversity that affect our community and our marketplace.”

GRAR members speak at dozens of venues to acquaint Monroe County residents with opportunities for housing choice, emphasizing the commitment of GRAR to equal housing opportunity. In partnership with housing advocacy organizations, GRAR also produced a half-hour TV film titled “Your Community—Your Home,” which has been aired on Rochester’s WHEC-TV (channel 10). To make the film, the partnership raised \$50,000 in seed money from title companies, banks, other lenders, local governments, and a few individual REALTORS®. “The film is all about the opportunities and benefits of homeownership in the Greater Rochester area,” Piper says. “Though many remain unaware of the variety of choices that exist for them, homeownership options are available in all housing segments.”

Another positive outcome has been the deepening of the relationship between the REALTORS® and minority communities. GRAR established a REALTORS® Charitable Foundation (RCF), which has given grants to community groups that provide housing or shelter to persons in need. One such grant went to Sojourner House, a shelter for abused women, which moves them and their children into a nearby apartment complex when they are ready for independent living. Another grant went to Wilson Commencement Park, which provides housing and other support services for women who are in transition from welfare to work or escaping from abusive relationships. RCF has also supported a free hotline to answer consumers’ questions about mortgage rates, lending practices, real estate contracts, fair housing laws, and other housing-related matters.

“In just a few years, we’ve managed to turn things around,” Piper sums up. “The HUD AI report back in the mid-’90s wasn’t the kind of report we wanted to see. But it did get us moving in the right direction and stimulated the REALTOR® community to stand up and play a leadership role in helping our Rochester and Monroe County achieve fairness and choice in housing.”

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