May 20, 2022

The Honorable Marcia Fudge Secretary U.S. Department of Housing and Urban Development Washington, DC 20702

To Secretary Fudge,

We, the undersigned affordable housing, disaster recovery, and civil rights organizations, write to express our appreciation to the U.S. Department of Housing and Urban Development (HUD) for issuing a final determination letter on May 16, 2020 upholding the Office of Fair Housing and Equal Opportunity's (FHEO) finding that the Texas General Land Office (GLO) had discriminated against communities of color in Southeast Texas when distributing \$2.1 billion in much-needed Community Development Block Grant – Disaster Mitigation (CDBG-DR MIT) funding, the result of an <u>administrative complaint</u> filed by Texas Housers and the Northeast Action Collective.

HUD must take further action, however, to ensure that civil rights laws are enforced and to advance racial equity in light of this serious civil rights violation. For this reason, we urge HUD to require the GLO to reach a Voluntary Consent Agreement (VCA) that resolves the concerns of Texas Housers and the Northeast Action Collective within 60 days and, if a VCA is not reached, to suspend funding to the state and refer the matter to the Department of Justice (DOJ) for enforcement.

As outlined in previous letters to HUD, the lowest-income and most marginalized survivors, including Black and Latino households and their communities, are often hit hardest by disasters but receive the least amount of assistance to recover and protect against disasters in the future. Despite HUD's historic decision to enforce civil rights law and uphold its mandate to increase equity, however, deep inequities in disaster resilience and mitigation infrastructure exist due to decades of systemic underinvestment and ongoing discrimination.

To address this issue, HUD must require the state of Texas to correct its violations. HUD should identity a reasonable timeframe – no more than 60 days – for the Texas GLO to reach a VCA that is satisfactory to the complainants. Moreover, HUD must outline the consequences if Texas refuses or fails to reach such an agreement. At a minimum, HUD should suspend funding and refer the matter to DOJ for further investigation if Texas does not reach a VCA.

HUD has the authority – and past precedent – to hold the Texas GLO accountable for its violations of civil rights laws. HUD should consider determining that the certifications by Texas in its action plan that the state is complying with Title VI is false, and therefore withhold funds. Similar action was taken against the City of Los Angeles in recent years for civil rights violations. Likewise, HUD can condition funding to the state on receipt of a VCA that is satisfactory to the Secretary and is signed by the Texas GLO. HUD can condition future funding, and/or withhold future funding because the state cannot certify that is complying with Title VI. Other available funds, such as the State and Local Fiscal Recovery Funds approved by Congress in the American Rescue Plan Act, can be used to remedy the state's action plan. HUD can cite the state's failure to comply with program requirements as a reason to withhold funds.

Failure by HUD to take such meaningful actions to ensure that Texas complies with its civil rights obligations will send a message to Texas, and to other grantees, that they may ignore these obligations without consequence. Further, it will undermine both HUD's own obligations to affirmatively further fair housing in its programs, and the Administration's broader efforts to ensure racial equity.

We look forward to working with you to ensure greater enforcement of civil rights laws to advance racial equity in disaster recovery.

Sincerely,

Fair Share Housing Center The Leadership Conference on Civil and Human Rights NAACP Legal Defense and Educational Fund, Inc. (LDF) National CAPACD National Community Reinvestment Coalition National Fair Housing Alliance National Housing Law Project National Low Income Housing Coalition PolicyLink Poverty & Race Research Action Council

CC:

Adrianne Todman, HUD Deputy Secretary Arthur Jemison, Principal Deputy Assistant Secretary for Community Planning and Development, HUD Demetria McCain, Principal Deputy Assistant Secretary for Fair Housing and Equal Opportunity, HUD Jenn Jones, Chief of Staff, HUD Jessie Handforth-Kome, Director of the Office of Block Grant Assistance, HUD