
In The
Supreme Court of the United States

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TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS, ET AL.,

Petitioners,

v.

THE INCLUSIVE COMMUNITIES PROJECT, INC.,

Respondent.

—◆—
**On Writ Of Certiorari To The
United States Court Of Appeals
For The Fifth Circuit**

—◆—
**BRIEF FOR JOHN R. DUNNE,
J. STANLEY POTTINGER, VICTORIA SCHULTZ,
JAMES P. TURNER, BRIAN K. LANDSBERG,
AND JOAN A. MAGAGNA AS *AMICI CURIAE*
IN SUPPORT OF RESPONDENT**

—◆—
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INTEREST OF THE *AMICI CURIAE*

Amici are former officials of the United States Department of Justice who had responsibility for enforcing the Fair Housing Act, 42 U.S.C. § 3601 *et seq.*, including the disparate impact doctrine first recognized under the statute in *United States v. City of Black Jack*, 508 F.2d 1179 (8th Cir. 1974), cert. denied, 422 U.S. 1042 (1975).¹ Collectively, they have served in every presidential administration, both Democratic and Republican, from President Johnson to President Obama. *Amici* are:

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J. Stanley Pottinger. J. Stanley Pottinger served as Assistant Attorney General for Civil Rights from 1973-1977, a period that encompassed the first disparate impact cases brought under the Fair Housing Act. Prior to that time, from 1970-1973, he served as Director of the Office of Civil Rights at the

¹ No counsel for a party authored this brief in whole or in part, and no party or counsel for a party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amici curiae* or their counsel made a monetary contribution to its preparation or submission. Letters from the parties providing blanket consent for the filing of *amicus* briefs in this matter have been filed with the Clerk of this Court.

Department of Health, Education, and Welfare. Since his government service, Pottinger has been a lawyer in private practice, an investment banker, and an author. He is currently an attorney with J. Stanley Pottinger, PLLC, in New York.

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Kan. 1997) and *Free at Last to Vote: Alabama and the Origins of the Voting Rights Act* (Univ. Press of Kan. 2007).

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SUMMARY OF ARGUMENT

Petitioner and its *amici* argue that disparate impact liability under the Fair Housing Act (FHA) raises serious constitutional questions. Pointing principally to employment discrimination cases, they assert that disparate impact liability incentivizes potential defendants to classify individuals by race in violation of the Equal Protection Clause. But whatever may be the effect of the disparate impact doctrine in employment, disparate impact in the fair housing context typically encourages potential defendants to do nothing more than “devise race-conscious measures to address the problem [of racial isolation] in a general way and without treating each [homeowner or renter] in different fashion solely on the basis of a systematic, individual typing by race.” *Parents Involved in Community Schools, Inc. v. Seattle Sch. Dist. No. 1*, 551 U.S. 701, 788-789 (2007) (Kennedy, J., concurring in part and concurring in the judgment). That sort of generalized race-consciousness, which does not result in racial classifications, likely does not even trigger

strict scrutiny under the Constitution. Accordingly, the disparate impact doctrine under the FHA raises no serious constitutional questions.

A. Strict constitutional scrutiny applies when the government classifies individuals, and distributes benefits and burdens to them, based on their race. Strict scrutiny also applies when the government uses formally race-neutral criteria with the purpose of distributing benefits and burdens according to individuals' race. But the Court has never applied strict scrutiny to laws that, while race-conscious, do not classify or distribute benefits or burdens to individuals based on their race, whether directly or by proxy. As Justice Kennedy's pivotal opinion in *Parents Involved* explained, individual racial classifications present unique dangers. And if strict scrutiny applied whenever the government acted with race on the mind, the law would severely hamper our Nation's efforts "to fulfill its historic commitment to creating an integrated society." *Id.* at 797. The government need not, however, passively "accept the status quo of racial isolation." *Id.* at 788. Rather, as Justice Kennedy explained in the school context, the government "may pursue the goal of bringing together students of diverse backgrounds and races through other means" than individual classifications. *Id.* at 789. These means, which are "unlikely" even to trigger strict scrutiny, include: "strategic site selection of new schools; drawing attendance zones with general recognition of the demographics of neighborhoods; allocating resources for special programs; recruiting

students and faculty in a targeted fashion; and tracking enrollments, performance, and other statistics by race.” *Id.*

B. Rather than encourage potential defendants to classify individuals by race, disparate impact under the FHA encourages them to reduce racial isolation through general race-conscious measures of precisely the type that Justice Kennedy’s *Parents Involved* opinion approved. Those measures typically open up housing opportunities broadly for members of *all* races. Many of the successful disparate impact cases under the FHA have challenged zoning rules that exclude multiple-family housing. The disparate impact doctrine, as applied in those cases, does not encourage state and local governments to classify homeowners and renters by race. Rather, it encourages them to avoid gratuitously excluding multiple-family developments – which may be occupied by people of any race – from their jurisdictions. Other successful disparate impact cases have challenged decisions to locate low-income or subsidized housing projects in overwhelmingly minority areas, decisions that exacerbated *de facto* segregation and racial isolation. In those cases, as in the present case, disparate impact liability does impose an incentive to consider racial demographics in deciding where to locate housing projects. But that is the same sort of generalized race-consciousness that Justice Kennedy’s *Parents Involved* opinion specifically approved.

The overwhelming majority of successful FHA disparate impact cases involve challenges to zoning

restrictions, siting decisions, and similar actions that entrench racial isolation. Because the application of the disparate impact doctrine to those cases has encouraged governments to respond by merely taking the sorts of generalized race-conscious actions that Justice Kennedy’s *Parents Involved* concurrence expressly approved, there is no basis for reading the statute narrowly to avoid an asserted constitutional problem.



ARGUMENT

Petitioner and its *amici* argue that disparate impact liability under the Fair Housing Act raises serious constitutional questions. Pointing principally to *Ricci v. DeStefano*, 557 U.S. 557 (2009), and other employment discrimination cases, they assert that disparate impact liability incentivizes potential FHA defendants to classify individuals by race in violation of the Equal Protection Clause. See Pet. Br. 44 (citing statement in *Watson v. Fort Worth Bank & Trust*, 487 U.S. 977, 992 (1988) (plurality opinion), that “the inevitable focus on statistics in disparate impact cases could put undue pressure on employers to adopt inappropriate prophylactic measures”); Am. Fin. Serv. Ass’n Br. 34-35; Pac. Legal Found. Br. 20-23; Proj. Fair Rep. Br. 11-16. See also Judicial Watch Br. 6-7 (relying on employment cases to argue that “those who seek to avoid ‘disparate impact’ liability can only do so by intentionally (prophylactically) discriminating in favor of a statistically underrepresented group”).

They argue, as well, that disparate impact liability is inherently discriminatory because it “protect[s] only minorities and not whites.” Pet. Br. 46. In support of this argument, they also point principally to cases applying the disparate impact doctrine to employment. See *id.* (discussing commentary addressing disparate impact in employment); Heriot Br. 29-33; Proj. Fair Rep. Br. 9-10.

But whatever may be its effect in *employment*, disparate impact liability in the *fair housing* context does not encourage racial classifications or redistribute zero-sum assets from whites to minorities. Rather, as applied under the Fair Housing Act, the disparate impact doctrine typically encourages potential defendants to do nothing more than “devise race-conscious measures to address the problem [of racial isolation] in a general way and without treating each [homeowner or renter] in different fashion solely on the basis of a systematic, individual typing by race.” *Parents Involved*, 551 U.S. at 788-789 (Kennedy, J., concurring in part and concurring in the judgment). Mechanisms like these, that “are race conscious but do not lead to different treatment based on a classification that tells each [individual] he or she is to be defined by race,” are “unlikely” even to “demand strict scrutiny to be found permissible.” *Id.* at 789. Accordingly, disparate impact liability under the Fair Housing Act raises no serious constitutional concerns.

A. Only Individual Racial Classifications or the Equivalent, and Not Mere Race-Consciousness, Trigger Strict Equal Protection Scrutiny

Strict equal protection scrutiny applies when the government classifies individuals, and distributes benefits and burdens to them, based on their race. See *Parents Involved*, 551 U.S. at 720 (“It is well established that when the government distributes burdens or benefits on the basis of individual racial classifications, that action is reviewed under strict scrutiny.”); *Miller v. Johnson*, 515 U.S. 900, 904 (1995) (“Laws classifying citizens on the basis of race cannot be upheld unless they are narrowly tailored to achieving a compelling state interest.”). That is because “[d]istinctions between citizens solely because of their ancestry are by their very nature odious to a free people,’ and therefore ‘are contrary to our traditions and hence constitutionally suspect.’” *Fisher v. Univ. of Texas at Austin*, 133 S. Ct. 2411, 2418 (2013) (quoting *Rice v. Cayetano*, 528 U.S. 495, 517 (2000); *Bolling v. Sharpe*, 347 U.S. 497, 499 (1954)). Accordingly, “judicial review must begin from the position that ‘any official action that treats a person differently on account of his race or ethnic origin is inherently suspect.’” *Id.* at 2419 (quoting *Fullilove v. Klutznick*, 448 U.S. 448, 523 (1980) (Stewart, J., dissenting)). See also *id.* at 2417 (“Any racial classification must meet strict scrutiny, for when government decisions ‘touch upon an individual’s race or ethnic background, he is entitled to a

judicial determination that the burden he is asked to bear on that basis is precisely tailored to serve a compelling governmental interest.’”) (quoting *Regents of Univ. of Cal. v. Bakke*, 438 U.S. 265, 299 (1978) (opinion of Powell, J.)).

The Court has applied the same rule to laws that use facially race-neutral criteria with the purpose of distributing benefits or burdens to individuals based on their race. These classifications are “‘ostensibly neutral but [are] an obvious pretext for racial discrimination.’” *Shaw v. Reno*, 509 U.S. 630, 644 (1993) (quoting *Personnel Administrator v. Feeney*, 442 U.S. 256, 272 (1979)). Thus, in *Hunter v. Underwood*, 471 U.S. 222, 233 (1985), the Court invalidated a state law that disenfranchised individuals convicted of crimes involving moral turpitude, because that law “was motivated by a desire to discriminate against blacks on account of race.” And in *Rogers v. Lodge*, 458 U.S. 613 (1982), the Court held that a state violated the Constitution by maintaining an at-large election scheme for a county commission, based on findings that the state maintained that scheme with the purpose of discriminating against black voters. These holdings applied the basic principle that the Fourteenth Amendment, like the Fifteenth, “nullifies sophisticated as well as simple-minded modes of discrimination.” *Lane v. Wilson*, 307 U.S. 268, 275 (1939).

But the Court has never applied strict equal protection scrutiny to laws that, while race-conscious, do not distribute benefits or burdens to individuals

based on their race, whether directly or by proxy. As Justice Kennedy's pivotal opinion in *Parents Involved* explained, individual racial classifications present unique dangers:

When the government classifies an individual by race, it must first define what it means to be of a race. Who exactly is white and who is nonwhite? To be forced to live under a state-mandated racial label is inconsistent with the dignity of individuals in our society. And it is a label that an individual is powerless to change. Governmental classifications that command people to march in different directions based on racial typologies can cause a new divisiveness. The practice can lead to corrosive discourse, where race serves not as an element of our diverse heritage but instead as a bargaining chip in the political process.

Parents Involved, 551 U.S. at 797 (Kennedy, J., concurring in part and concurring in the judgment). But “race-conscious measures that do not rely on differential treatment based on individual classifications present these problems to a lesser degree.” *Id.*

If strict scrutiny applied whenever the government acted with race on the mind, the law would severely hamper our Nation's efforts to satisfy its “moral and ethical obligation to fulfill its historic commitment to creating an integrated society.” *Id.* “Due to a variety of factors – some influenced by government, some not – neighborhoods in our communities do not reflect the diversity of our Nation as

a whole.” *Id.* at 798. If mere race-consciousness triggered strict scrutiny, then *any* effort to respond to that state of affairs – even if it does not allocate “benefits and burdens on the basis of racial classifications,” *id.* – would necessarily be required to satisfy the most stringent review known to constitutional law. After all, to act with a desire to overcome the legacy of racial isolation is inherently to act with race on the mind. But the government need not passively “accept the status quo of racial isolation.” *Id.* at 788. Rather, the political branches are free to respond to that problem “with candor and with confidence that a constitutional violation does not occur whenever a decisionmaker considers the impact a given approach might have on” *de facto* or *de jure* segregation. *Id.* at 789.

Indeed, if mere race-consciousness were sufficient to trigger strict scrutiny, any number of generally-applicable, race-neutral programs would be constitutionally suspect simply because they aimed in part to end racial gaps. The No Child Left Behind Act, for example, aims in part to close “the achievement gaps between minority and nonminority students.” 20 U.S.C. § 6301(3). Similarly, the Department of Health and Human Services has adopted an “Action Plan to Reduce Racial and Ethnic Health Disparities.” HHS, *A Nation Free of Disparities in Health and Health Care*, available at <http://goo.gl/u8MZFU>. But surely their admittedly race-conscious goals do not subject these programs to the most stringent level of constitutional scrutiny. These programs reflect our national

commitment to reverse the legacy of public and private discrimination. They do not trigger strict scrutiny merely because they forthrightly address racial issues. See generally *Schuette v. Coal. to Defend Affirmative Action, Integration & Immigrant Rights & Fight for Equal. By Any Means Necessary (BAMN)*, 134 S. Ct. 1623, 1648 (2014) (Scalia, J., concurring in the judgment) (explaining that Michigan constitutional provision barring affirmative action does not deny equal protection, despite addressing a racial issue, in part because it “does not on its face ‘distribut[e] burdens or benefits on the basis of individual racial classifications’”) (quoting *Parents Involved*, 551 U.S. at 720).

In *Parents Involved*, Justice Kennedy explained how these principles apply in the school context. He stated that the political branches “may pursue the goal of bringing together students of diverse backgrounds and races through other means [than individual classifications], including strategic site selection of new schools; drawing attendance zones with general recognition of the demographics of neighborhoods; allocating resources for special programs; recruiting students and faculty in a targeted fashion; and tracking enrollments, performance, and other statistics by race.” *Parents Involved*, 551 U.S. at 789 (Kennedy, J., concurring in part and concurring in the judgment). Because “[t]hese mechanisms are race conscious but do not lead to different treatment based on a classification that tells each student he or she is to be defined by race,” he noted, “it is

unlikely any of them would demand strict scrutiny.”
Id.

As Justice Kennedy’s *Parents Involved* opinion noted, racial isolation in schools is directly connected to racial isolation in housing patterns – “neighborhoods in our communities do not reflect the diversity of our Nation as a whole.” *Id.* at 798. See also *Freeman v. Pitts*, 503 U.S. 467, 495 (1992) (“Studies show a high correlation between residential segregation and school segregation.”). The decisions state and local governments make with respect to housing thus can mitigate – or exacerbate – the status quo of racial isolation in neighborhoods and schools. As the next section explains, the disparate impact doctrine under the Fair Housing Act targets those state and local practices that exacerbate racial isolation, and it gives state and local governments an incentive to adopt precisely the sorts of responses that Justice Kennedy’s pivotal opinion blessed as constitutional in *Parents Involved*.

B. Disparate Impact Under the FHA Encourages Potential Defendants to Reduce Segregation Through General Race-Conscious Measures, Not Individual Racial Classifications

Petitioner and its *amici* analogize the effects of Fair Housing Act disparate impact liability to the effects of Title VII disparate impact liability in *Ricci*, *supra*. In *Ricci*, an employer deprived individual

employees of promotions to which they were entitled under the rules it applied at the time they took their promotion exams, because it feared disparate impact liability under Title VII. Concluding that “once [a promotions] process has been established and employers have made clear their selection criteria, they may not then invalidate the test results, thus upsetting an employee’s legitimate expectation not to be judged on the basis of race,” *Ricci*, 557 U.S. at 585, this Court held that the employer’s action discriminated against the higher-scoring candidates based on their race. See *id.* at 580 (“The City rejected the test results solely because the higher scoring candidates were white.”). The Court went on to hold that the employer had no strong basis in evidence to believe that its discrimination against these candidates was necessary to avoid disparate impact liability. See *id.* at 585-586.

Petitioner and its *amici* assert that the fear of disparate impact liability under the Fair Housing Act will encourage potential defendants to engage in the same sort of discrimination in which the employer engaged in *Ricci*. But an examination of FHA disparate impact cases in which plaintiffs have prevailed shows that, at least in the fair housing context, disparate impact liability does nothing of the sort. Rather than encourage potential defendants to allocate zero-sum resources through individual racial classifications, disparate impact under the FHA encourages them to reduce racial isolation through general race-conscious measures of precisely the type that Justice Kennedy’s *Parents Involved* opinion

approved. Those measures typically open up housing opportunities broadly for members of *all* races.

Disparate impact cases under the Fair Housing Act have had this effect from the very beginning. The first appellate case to find a disparate impact violation of the FHA, the Eighth Circuit's decision in *Black Jack, supra*, invalidated a city ordinance banning the construction of multiple-family housing. See *Black Jack*, 508 F.2d at 1181-1182. The court concluded that the ordinance would exclude a new townhouse development in which "many blacks would live," and that it would thus "contribute to the perpetuation of segregation in a community which was 99 percent white." 508 F.2d at 1186. But the relief imposed by the court, enjoining enforcement of the ordinance, see *id.* at 1188, would benefit low- and middle-income persons of *all* races.

The *next* municipality, considering how to conform to the rule of law applied in the *Black Jack* case, would have no incentive to limit the housing opportunities extended to whites. Rather, its only incentive would be to forgo any ban on multiple-family housing. By forgoing such a ban, the municipality would simply enable developers of integrative housing to compete in the market; it would not even give any preference to any particular developer based on the race of its tenants.

In making a decision to conform to the FHA by avoiding bans on multiple-family housing, the municipality might well act with consciousness of that

decision's racial impact, but its decision would not "lead to different treatment based on a classification that tells each [renter or homeowner] he or she is to be defined by race." *Parents Involved*, 551 U.S. at 789 (Kennedy, J., concurring in part and concurring in the judgment). By encouraging municipalities to move gingerly before banning multiple-family housing, the FHA disparate impact doctrine would accordingly raise no serious constitutional concerns.

Many other FHA disparate impact decisions have similarly challenged zoning or other land-use decisions that excluded low-income or multiple-family housing from racially isolated municipalities or neighborhoods. These decisions have extended from the early days of the statute to recent years. For example, in *Metropolitan Housing Development Corp. v. Village of Arlington Heights*, 558 F.2d 1283 (7th Cir. 1977), cert. denied, 434 U.S. 1025 (1978), the Seventh Circuit remanded for a trial on the question whether a zoning decision that excluded a federally-subsidized low-and-moderate-income housing project "effectively assure[d] that Arlington Heights [would] remain a segregated community." *Id.* at 1294. In *Huntington Branch, N.A.A.C.P. v. Town of Huntington*, 844 F.2d 926 (2d Cir.), aff'd, 488 U.S. 15 (1988) (*per curiam*), the Second Circuit held that "an overwhelmingly white suburb's zoning regulation, which restrict[ed] private multi-family housing projects to a largely minority 'urban renewal area,' and the Town Board's refusal to amend that ordinance to allow construction of subsidized housing in a white neighborhood[,]

violate[d] the Fair Housing Act” under the disparate impact doctrine. *Id.* at 928. And in *Greater New Orleans Fair Housing Action Center v. St. Bernard Parish*, 2011 WL 4915524 (E.D. La., Oct. 17, 2011), an overwhelmingly white parish outside of New Orleans prohibited the re-building of multiple-family dwellings after Hurricane Katrina. In response to litigation alleging that its action violated the Fair Housing Act, the parish entered into a consent decree in 2008, but the district court found that the parish had violated the consent decree – as well as the FHA’s disparate impact doctrine – by enforcing new restrictions on the building of multiple-unit developments. See *id.* at *6-*8.

As in *Black Jack*, the application of the disparate impact doctrine in *Arlington Heights*, *Huntington*, and *St. Bernard Parish* did not give municipalities an incentive to classify individuals based on race. The only incentive these decisions imposed on municipalities was to avoid exclusionary zoning decisions. As Justice Kennedy’s *Parents Involved* concurrence explained, however, that sort of incentive does not raise serious constitutional questions.

This case involves a slightly different type of FHA disparate impact claim – a challenge to a government’s decision to locate public or subsidized low-income housing at a site that exacerbates racial isolation. As with cases challenging exclusionary land-use decisions, cases challenging siting decisions for public or subsidized housing have existed since the beginning. For example, in *Resident Advisory*

Board v. Rizzo, 564 F.2d 126 (3d Cir. 1977), cert. denied, 435 U.S. 908 (1978), the Third Circuit held that Philadelphia’s Public Housing Authority and Redevelopment Authority violated the FHA’s disparate impact doctrine by refusing to construct a public housing project in a neighborhood that the city’s prior urban renewal efforts had left “virtually all-white.” *Id.* at 130. See generally *id.* at 149-150.

In cases like *Rizzo* and the present case, disparate impact liability does impose on cities and states an incentive to consider racial demographics in deciding where to locate housing projects. But that is the same sort of generalized race-consciousness that Justice Kennedy’s *Parents Involved* opinion specifically approved. See *Parents Involved*, 551 U.S. at 789 (Kennedy, J., concurring in part and concurring in the judgment) (stating that “strategic site selection of new schools” and “drawing attendance zones with general recognition of the demographics of neighborhoods” likely do not even trigger strict scrutiny). Indeed, a public housing authority will inevitably act with awareness of racial and other demographics when making a siting decision, but such race-consciousness does not itself trigger strict equal protection scrutiny. Cf. *Shaw*, 509 U.S. at 646 (noting that “the legislature always is *aware* of race when it draws district lines, just as it is aware of age, economic status, religious and political persuasion, and a variety of other demographic factors” but explaining that “that sort of race consciousness does not lead inevitably to impermissible race discrimination”).

Nothing in the application of disparate impact doctrine to these sorts of cases would give city and state governments an incentive to engage in individual racial classification and deny some renters, based on their race, opportunities that are accorded to others. Accordingly, the FHA's disparate impact doctrine raises no serious constitutional questions in these cases.

Cases like *Black Jack*, *Arlington Heights*, *Huntington*, *St. Bernard Parish*, *Rizzo*, and the present case represent the heartland of disparate impact enforcement under the Fair Housing Act. A recent study, which conducted “a quantitative analysis of forty years of FHA disparate impact appellate jurisprudence,” found that the overwhelming majority of successful disparate impact claims under the statute have fit the mold of those cases. Stacy E. Seicshnaydre, *Is Disparate Impact Having Any Impact? An Appellate Analysis of Forty Years of Disparate Impact Claims Under the Fair Housing Act*, 63 Am. U. L. Rev. 357, 363 (2013). The successful FHA disparate cases have challenged state and local regulations that: “prevent the construction of housing that will likely be used by minority groups in places that currently lack minority residents”; “confine housing that will be used by minority group members to neighborhoods where minority households already predominate”; and “otherwise deny minority households freedom of movement in a wider housing marketplace.” *Id.* at 361.

In its principal applications, then, the FHA's disparate impact doctrine has not encouraged the distribution of zero-sum resources according to individual racial classifications. That doctrine has merely encouraged cities and states to engage in the sorts of generalized race-conscious conduct to overcome racial isolation that Justice Kennedy's *Parents Involved* concurrence expressly approved. Accordingly, there is no basis for reading the statute narrowly to avoid an asserted constitutional problem.



CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted,

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