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Searching for Fair Housing

Lee Anne Fennell

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SEARCHING FOR FAIR HOUSING

LEE ANNE FENNELL*

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There is a blind spot in the scholarly and legal treatment of housing discrimination: the racial biases of homeseekers. Search strategies routinely incorporate information about neighborhood racial composition, either as a proxy or as a direct preference. Although search heuristics can powerfully entrench and perpetuate (or, alternatively, disrupt) segregation, it is widely assumed that the way families search for homes is none of the law's business. This Article questions that assumption and, more broadly, examines how homeseeking fits into a societal conception of fair housing that assigns positive value to integration.

INTRODUCTION

Private discrimination against homeseekers based on race has been illegal in the United States since 1968.¹ But discrimination *on the part of* homeseekers has received no parallel regulatory or legislative attention.² Rather, it is generally assumed that a househunter has every legal right to enter or avoid a community for any reason she likes, including its racial or ethnic composition.³

¹ Congress enacted the Fair Housing Act (“FHA”) in 1968. Fair Housing Act of 1968, Pub. L. No. 90-284, 82 Stat. 81 (codified as amended at 42 U.S.C. §§ 3601-3619, 3631 (2012)). A 1968 Supreme Court decision also recognized that § 1982 of the Civil Rights Act of 1866 bans both public and private racial discrimination in property transactions. *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409, 413 (1968). The FHA currently reaches discrimination based on race, color, religion, national origin, sex, familial status, and disability, *see, e.g.*, 42 U.S.C. § 3604(a), but race will be my focus here.

² I argue that certain forms of discriminatory homeseeking could in fact be reached through existing law. *See infra* Part III. But the prevailing view of the law’s coverage is very much to the contrary.

³ *See, e.g.*, John Charles Boger, *Toward Ending Residential Segregation: A Fair Share Proposal for the Next Reconstruction*, 71 N.C. L. REV. 1573, 1579 (1993) (explaining that efforts at integration would be thwarted, even if illegal conduct were addressed, by whites’ “perfectly legal housing choices that, cumulatively, would lead to segregated neighborhoods”); Xavier de Souza Briggs, *Politics and Policy: Changing the Geography of Opportunity*, in *THE GEOGRAPHY OF OPPORTUNITY* 310, 314-15 (Xavier de Souza Briggs ed., 2005) (“[S]egregation stems not only from illegal acts of discrimination but also from perfectly legal, if segregative, choices,” including “‘self-steering’ by whites and minorities”); Stacy E. Seicshnaydre, *The Fair Housing Choice Myth*, 33 CARDOZO L. REV. 967, 987 (2012) (describing as “perfectly legal” the diminution in housing choice that comes

On the surface, this asymmetry fits neatly with antidiscrimination law's focus on unblocking access to housing opportunities.⁴ Yet as Thomas Schelling's work made clear decades ago, individual location choices can have a profound, cumulative impact on overall housing patterns and hence on available housing choices.⁵ And the role that neighborhood racial composition continues to play in the home selection decisions of white households, whether as a proxy or as a direct preference,⁶ remains a chief driver of segregation.⁷

It is, therefore, something of a puzzle why antidiscrimination law, and legal scholarship devoted to the topic, have largely ignored homeseeking.⁸ The puzzle deepens when we consider the integrative goal of the Fair Housing Act ("FHA")⁹—a goal that would seem to require either addressing segregative

"in the form of a majority-group member's consumer choice to opt out of inclusion").

⁴ See Seicshnaydre, *supra* note 3, at 981 ("[T]he FHA protects the choices of the housing consumer in a marketplace in which the housing provider stands as gatekeeper.").

⁵ E.g., THOMAS C. SCHELLING, MICROMOTIVES AND MACROBEHAVIOR 147-66 (1978); see also DARIA ROITHMAYR, REPRODUCING RACISM 93-120 (2014).

⁶ See INGRID GOULD ELLEN, SHARING AMERICA'S NEIGHBORHOODS 49 (2000) (discussing whites' use of "race as a proxy"); *infra* Section I.A.2.

⁷ See, e.g., Lance Freeman & Tiancheng Cai, *White Entry into Black Neighborhoods: Advent of a New Era?*, 660 ANNALS AM. ACAD. POL. & SOC. SCI. 302, 302 (2015) ("While there is considerable debate about the causes of the spatial isolation of blacks, on one reason there is near unanimity—whites' avoidance of black neighborhoods.").

⁸ The most detailed legal analysis of the issue of which I am aware is Seicshnaydre, *supra* note 3, at 998-1003. Most analysts ignore the issue as both a doctrinal and theoretical matter. See, e.g., TARUNABH KHAITAN, A THEORY OF DISCRIMINATION LAW 200 (2015) (noting antidiscrimination law's asymmetrical application to some actors and not others and expressing surprise "that most discrimination law theorists ignore this ostensibly bizarre set-up"). Scholars in other disciplines have explored the dynamics of housing search and choice in considerable detail but have not focused on regulating homeseeking. See *infra* Section I.A. A growing literature has begun to address other discriminatory consumer choices. See, e.g., Katharine T. Bartlett & Mitu Gulati, *Discrimination by Customers*, 102 IOWA L. REV. 223 (2016); Michael Blake, *The Discriminating Shopper*, 43 SAN DIEGO L. REV. 1017 (2006); Kimani Paul-Emile, *Patients' Racial Preferences and the Medical Culture of Accommodation*, 60 UCLA L. REV. 462 (2012); Saul Levmore, *Title VII to Tinder: Law's Asymmetry and (Occasional) Market Superiority* (2016) (unpublished manuscript) (on file with author); Heather M. Whitney, *The Autonomy Defense of Private Discrimination* (2017) (unpublished manuscript), https://papers.ssrn.com/sol3/papers2.cfm?abstract_id=2922241 [<https://perma.cc/7NFH-QE4R>]; cf. Elizabeth F. Emens, *Intimate Discrimination: The State's Role in the Accidents of Sex and Love*, 122 HARV. L. REV. 1307 (2009).

⁹ Integration was contemplated as a goal of the FHA from the outset. See 114 CONG. REC. 3422 (Feb. 20, 1968) (statement of Sen. Mondale) (describing the legislative aim of "truly integrated and balanced living patterns"); see also Brian Patrick Larkin, Note, *The Forty-Year "First Step": The Fair Housing Act as an Incomplete Tool for Suburban Integration*, 107 COLUM. L. REV. 1617, 1624-30 (2007) (examining the FHA's goal of integration, as discussed in legislative history and judicial opinions, and noting its tension

household choices or counteracting them in some way. In this Article, I take on this understudied and undertheorized issue. I critically examine presumed normative and doctrinal impediments to addressing homeseeker discrimination, and consider how the law's treatment of this form of bias connects conceptually to the project of delivering fair housing.

My analysis challenges two claims on which there appears to be overwhelming legal and scholarly consensus: that the law *does not* and *should not* reach discriminatory housing search.¹⁰ Contrary to all prior analyses of which I am aware, I argue that at least some manifestations of homeseeker bias can be a normatively appropriate target of fair housing law.¹¹ I also argue, contrary to the prevailing wisdom, that existing law can be fairly read to offer tools for addressing certain forms of homeseeker bias.¹² There are indeed significant normative and doctrinal limits on the scope of liability that can attach to housing search. But giving homeseekers a free pass to discriminate is not the benign, overdetermined move that it is generally thought to be.

Recognizing the correlative relationship between rights and duties identified by Wesley Hohfeld¹³ helps to illuminate what is at stake. Safeguarding the rights of households to fair housing opportunities requires distributing corresponding fair housing duties (in some manner) throughout society. The fewer the agents who are considered appropriate bearers of those duties, the greater the duties must be on some or all of the remaining agents—or the more constrained must be the fair housing rights. Thus, keeping homeseekers off the roster of parties who are held to account for intentional racial discrimination¹⁴

with the goal of free housing choice). The Supreme Court has expressly endorsed the integration goal of the FHA, most recently in *Texas Department of Housing & Community Affairs v. Inclusive Communities Project, Inc.*, 135 S. Ct. 2507, 2525-26 (2015).

¹⁰ This is not to suggest that scholars are untroubled by homeseeker discrimination, nor that they have systematically considered and rejected every means of reaching it. Rather, there is a general tendency in the literature to view addressing homeseeking as a nonstarter for a number of overlapping reasons—doctrinal, practical, and normative—and to bypass any nuanced exploration of these points. There has also been a tendency to conflate two elements that this Article hopes to break apart: the search process itself, and the ultimate decision about where to live. The assumption that regulating the former implies regulating the latter likely underpins much of the current apparent consensus that homeseeking is untouchable. I thank Stacy Seicshnaydre for comments on this point.

¹¹ See *infra* Part II.

¹² See *infra* Part III.

¹³ WESLEY NEWCOMB HOHFELD, *FUNDAMENTAL LEGAL CONCEPTIONS AS APPLIED IN JUDICIAL REASONING AND OTHER LEGAL ESSAYS* 36-42 (Walter Wheeler Cook ed., 1919).

¹⁴ Some race-based search behaviors may be unconscious or implicit in nature. See *infra* notes 53, 192 and accompanying text. Under existing doctrinal categories, these count as “intentional” forms of race-based decisionmaking and are treated as such here. This need not imply equal culpability. See, e.g., Charles R. Lawrence III, *The Id, the Ego, and Equal Protection: Reckoning with Unconscious Racism*, 39 STAN. L. REV. 317, 325-26 (1987) (“Understanding the cultural source of our racism obviates the need for fault, as traditionally

requires shifting the costs associated with that discrimination somewhere else—either back onto members of minority groups who see their rights to fair housing accordingly curtailed, or onto other parties who are in a position to overcome or compensate for the effects of biased home search.¹⁵

The Article proceeds in four parts. Parts I and II challenge the dominant view that racially restrictive housing search¹⁶ should be deemed normatively off limits as a domain for legal intervention. These Parts address, respectively, two primary rationales for ignoring search practices: that homeseekers cannot materially influence fair housing opportunities, and that any effort to address search would be an impermissible intrusion into autonomy and related values.¹⁷ Part I examines the empirical effects of housing search bias on segregation and concludes that this bias significantly interferes with fair housing opportunities. Unaddressed discrimination by homeseekers thus produces a disconnect—which I term “the search gap”—between the fair housing opportunities that the law aspires to provide and the duties that the law imposes on parties not to discriminate in the housing domain.¹⁸

Part II turns to questions of autonomy and associational privacy. Although these normative considerations place important constraints on legal interventions into housing search, I resist the blanket conclusion that every form of intentional homeseeker discrimination must be immunized. Following a pattern that can already be found in certain provisions of fair housing law (most notably, in the incomplete exemption from liability for so-called “Mrs. Murphy” landlords),¹⁹ I sketch a conceptual approach that would preserve

conceived, without denying our collective responsibility for racism’s eradication.”).

¹⁵ See *infra* Part IV (describing some ways in which costs might be shifted).

¹⁶ I use the term “racially restrictive” here to denote segregative forms of race-consciousness. My use of the terms race-based, biased, and discriminatory as modifiers for search carry the same meaning and are likewise meant to exclude race-consciousness directed at integrative ends.

¹⁷ These rationales track the factors that Tarunabh Khaitan recently elaborated in discussing the law’s choice to extend nondiscrimination duties only to certain actors and not others. KHAITAN, *supra* note 8, at 200 (suggesting the law chooses duty bearers based on two factors: the extent to which the duty intrudes into the actor’s “negative liberty,” and the efficacy of choosing that duty bearer, which “will depend on its ability to affect another person’s access to the basic goods”); *id.* at 195-213 (using the law’s different treatment of landlords and tenants as an example); see also Bartlett & Gulati, *supra* note 8, at 227 (listing “efficacy” and “a concern for personal autonomy and privacy” as leading explanations for societal choices not to address discrimination by customers). In the case of discrimination by tenants, Khaitan suggests, the intrusion associated with imposing a duty would be high, while the efficacy would be low. See KHAITAN, *supra* note 8, at 200, 212-13.

¹⁸ Of course, the search gap does not alone account for the disconnect between the goals of fair housing and the duties imposed by law, but rather forms a subset of a larger misalignment between the normative vision of fair housing rights and the duties distributed to parties capable of bringing it about. See *infra* Section I.C.

¹⁹ See *infra* Section II.B.1 (discussing 42 U.S.C. § 3603(b)(2) (2012)).

ultimate decisional autonomy for homeseekers while prohibiting the use of categorical exclusionary search tactics. This same approach also offers a novel way to address fair housing issues in the roommate context—an arena in which housing provision and homeseeking often blur together.

The analysis then moves from the normative question of what the law *should do* to the doctrinal question of what the law *does* (or can properly be read to do). Part III shows how categorical discrimination by homeseekers might be reached through existing legal limits on advertising and statements, as well as through constraints on search assisted by real estate agents, websites, and apps, without infringing ultimate decisional autonomy. Part IV considers the potential and limits of other doctrinal hooks for addressing biased search or countering its effects. For example, disparate impact analysis can reach third-party conduct that interacts with and exacerbates the biases of homeseekers. In addition, the FHA's statutory mandate "affirmatively to further" fair housing²⁰ supports experimentation designed to counter biased search, from pattern-disrupting homeseeking tools to strategies that encourage integrative moves.

This is an especially propitious moment for addressing these issues. In June 2015, the Supreme Court decided *Texas Department of Housing & Community Affairs v. Inclusive Communities Project, Inc.*,²¹ which held that the FHA includes a disparate impact cause of action.²² The Court in *Inclusive Communities* also explicitly recognized integration as a continuing goal of the FHA.²³ In addition, the U.S. Department of Housing and Urban Development ("HUD") issued a final rule in July 2015 on affirmatively furthering fair housing, which directs localities and other entities receiving HUD funding to take a data-driven approach to meeting their obligations.²⁴ Meanwhile, homebuyers are becoming more directly involved in orchestrating their own searches, and technological developments offer new threats and novel opportunities in the search domain. In sum, it is becoming both increasingly feasible and increasingly important to treat homeseeking as a fair housing issue.²⁵

²⁰ 42 U.S.C. §§ 3608(e)(5), 3608(d).

²¹ 135 S. Ct. 2507 (2015).

²² *Id.* at 2525.

²³ *Id.* at 2525-26 ("The Court acknowledges the Fair Housing Act's continuing role in moving the Nation toward a more integrated society.").

²⁴ See Affirmatively Furthering Fair Housing, 80 Fed. Reg. 42,272 (July 16, 2015) (to be codified at 24 C.F.R. pts. 5, 91, 92, 570, 574, 576 & 903). The direction that HUD will take under the Trump administration with respect to this rule, or that the new Congress might take legislatively, remains unknown as of this writing.

²⁵ I refer here to technical feasibility, coupled with the availability of appropriate doctrinal tools under existing law. Obvious questions of political feasibility remain, sharpened by the possibility of a change in course at HUD or via legislation. See *supra* note 24. It is worth observing that not all of the possible responses to the issues highlighted here need be federal in nature; states and localities can take the lead in this context as they have in related ones, and private actors can also play an important role in leveraging social

Before beginning, some notes about scope and emphasis are in order. Gaining traction on the neglected topic of housing search requires analytically isolating racially biased homeseeking from many other issues with which it is plainly entwined as an empirical matter: continuing discrimination by housing providers; steering by realtors; public and private land use controls that produce economic stratification, including restrictions on the quantity and location of housing stock; affordable housing policy decisions at all governmental levels; inequities in education and other local goods and services; and many others. Biased search is by no means the only obstacle to achieving fair housing. But it is an important and neglected obstacle that can benefit from close conceptual and doctrinal analysis. Unlike other impediments to fair housing, biased housing choice involves conduct that is both overtly discriminatory and widely believed to lie beyond the reach of law²⁶—a combination that warrants attention.

I will focus here on moving-in decisions rather than on moving-out decisions, although the two decisions obviously interact.²⁷ In addition to presenting greatly underexplored legal issues, homeseeking appears to be the more foundational housing choice problem. Research shows that the moving-in decision is more sensitive to neighborhood racial composition than the decision to move out.²⁸ Moreover, racially motivated out-moves are implicitly premised on racially motivated in-moves. A family would have no reason to leave an existing neighborhood based on its racial composition unless it had identified another neighborhood to move *into* that had a different composition. Even when out-moves are motivated by fears of declining property values rather than racial composition as such, the dynamic is driven by the anticipated racial biases of potential in-movers.²⁹

Biased homeseeking has also proven to be a more durable segregative force than neighborhood exit, and carries greater modern significance. The

norms. Far from sidelining these issues, current political conditions make it all the more important to engage them.

²⁶ See *supra* note 3 and accompanying text.

²⁷ See, e.g., ELLEN, *supra* note 6, at 46.

²⁸ See *id.* at 133 (citing survey data showing that “when confronted with a neighborhood that is one-third black, 59 percent of white respondents in 1992 said they would be unwilling to move in, while only 29 percent said they would try to move out”); *id.* at 50-51 (discussing differences between entry and exit decisions). Aside from inertia and switching costs, existing residents have more information about their communities and thus a diminished need to rely on crude proxies like race. See *id.* at 106; cf. Lior Jacob Strahilevitz, *Privacy Versus Antidiscrimination*, 75 U. CHI. L. REV. 363, 364-75 (2008) (explaining how more information about individuals can reduce decisionmakers’ reliance on racial and gender proxies).

²⁹ Put differently, white exit would not be sufficient to sustain segregation in the absence of white avoidance. See Freeman & Cai, *supra* note 7, at 303 (“[W]hite avoidance, in addition to the oft-written-about mechanisms of discrimination and white flight, would seem to also be a necessity for whites to maintain their spatial distance from blacks.”).

phenomenon that Ingrid Gould Ellen has termed “white avoidance”—the unwillingness of whites to move into neighborhoods that are already populated by a substantial fraction of African American households³⁰—replaced “white flight” as a dominant generator of segregation after the latter ebbed in the 1970s.³¹ As Michael D. M. Bader and Siri Warkentien observe, “[t]he shift from active white flight to passive white avoidance marks a significant change in the process of segregation.”³² It is one to which legal scholars should attend.

Finally, as my reference to white avoidance suggests, I will concentrate primarily on racial discrimination by whites against blacks.³³ This limited focus is not meant to suggest that other forms of discrimination are nonexistent or unimportant, nor to deny that they interact with white avoidance in important ways—some of which I will discuss. Rather, I wish to direct attention to the type of homeseeker conduct that continues to be most strongly implicated in the perpetuation of segregation.

I. IS HOMESEEKING HARMLESS?

Two broad rationales, singly or in combination, appear to explain most of the academic and legal disinterest in addressing biased homeseeker choices.³⁴ The first, which I take up in this Part, is the idea that homeseekers can do little harm through their discriminatory conduct because they lack the power to materially influence fair housing opportunities.³⁵ This is simply untrue as an empirical matter, at least if one takes a view of fair housing that recognizes entrenched segregation as harmful and assigns positive value to advancing integration.³⁶ Unaddressed discriminatory homeseeking generates a gap

³⁰ See ELLEN, *supra* note 6, at 2-3.

³¹ See Michael D. M. Bader & Siri Warkentien, *The Fragmented Evolution of Racial Integration Since the Civil Rights Movement*, 3 SOC. SCI. 135, 161 (2016).

³² *Id.*; see also Freeman & Cai, *supra* note 7, at 306 (“While discrimination and white flight, the other instruments of segregation, fell out of favor or at least declined, white avoidance appears to have been a durable mechanism through which segregation has persisted in urban America.”).

³³ The persistence and prevalence of black-white residential segregation in the United States explains my primary focus on those two groups in this Article, despite the obvious simplification that such a dichotomous focus involves. See, e.g., CAMILLE ZUBRINSKY CHARLES, *WON’T YOU BE MY NEIGHBOR? RACE, CLASS, AND RESIDENCE IN LOS ANGELES* 5 (2006) (noting the need to enlarge analyses of segregation “beyond black-white relations”).

³⁴ See, e.g., KHAITAN, *supra* note 8, at 195-213.

³⁵ See *id.* at 212 (contending that actors in certain capacities, including those of tenant and consumer, “usually lack the ability to seriously affect anyone’s access to the basic goods”). I take up the second rationale, which is grounded in autonomy concerns, below. See *infra* Part II.

³⁶ Such an understanding is consistent with recent pronouncements of the Supreme Court and HUD, and it is the one I adopt for purposes of this Article. See *supra* notes 23-24 and accompanying text. The harms of segregation have been well documented. See, e.g., David Card & Jesse Rothstein, *Racial Segregation and the Black-White Test Score Gap*, 91 J. PUB.

between meaningful fair housing rights and the duties that the law is thought to impose on parties in the housing domain. Although there is more than one way to close this “search gap,” it should not be ignored.

A. *The Harms of Biased Search*

Although discrimination against homeseekers based on race has been illegal in the United States since 1968,³⁷ residential segregation remains high in many American cities.³⁸ Standard explanations for persistent segregation include economic differences that correlate with race; continuing supply-side discrimination (for example, by landlords and realtors); and the preferences of those selecting housing.³⁹ Although the first two factors plainly contribute to segregation, they are insufficient to explain existing patterns;⁴⁰ homeseeker

ECON. 2158, 2170-80 (2007) (finding that neighborhood racial segregation has negative effects on black students’ educational attainment); David M. Cutler & Edward L. Glaeser, *Are Ghettos Good or Bad?*, 112 Q.J. ECON. 827, 841-65 (1997) (empirically demonstrating the harmful effects of segregated communities for blacks on a range of outcomes, including education, employment, and income, and examining possible explanations for these effects); Justin Steil, Jorge De la Roca & Ingrid Gould Ellen, *Desvinculado y Desigual: Is Segregation Harmful to Latinos?*, 660 ANNALS AM. ACAD. POL. & SOC. SCI. 57, 64-74 (2015) (finding that segregation is associated with negative effects on educational attainment and labor market success for African Americans and Latinos). *See generally* ELIZABETH ANDERSON, *THE IMPERATIVE OF INTEGRATION* (2010); PATRICK SHARKEY, *STUCK IN PLACE: URBAN NEIGHBORHOODS AND THE END OF PROGRESS TOWARD RACIAL EQUALITY* (2013).

³⁷ *See* Fair Housing Act of 1968, Pub. L. No. 90-284, 82 Stat. 81 (codified as amended at 42 U.S.C. §§ 3601-3619, 3631 (2012)); *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409, 413 (1968).

³⁸ There have been important declines in racial segregation over recent decades nationwide, but these declines have been uneven across cities and regions, leaving segregation high in many cities. *See* Nicholas O. Stephanopoulos, *Civil Rights in a Desegregating America*, 83 U. CHI. L. REV. 1329, 1339-60 (2016) (surveying the social science literature on segregation definitions and trends, and noting caveats).

³⁹ *See, e.g.*, Maria Krysan, Kyle Crowder & Michael D. M. Bader, *Pathways to Residential Segregation*, in *CHOOSING HOMES, CHOOSING SCHOOLS* 27, 36 (Annette Lareau & Kimberly Goyette eds., 2014) (referencing the “three canonical and seemingly distinct sets of theoretical arguments” appearing in the vast literature on residential racial segregation).

⁴⁰ *See, e.g.*, Margery Austin Turner, *Limits on Housing and Neighborhood Choice: Discrimination and Segregation in U.S. Housing Markets*, 41 IND. L. REV. 797, 813 (2008) (“[I]f households were distributed across neighborhoods entirely on the basis of income rather than race or ethnicity, levels of segregation would be dramatically lower.”); Freeman & Cai, *supra* note 7, at 302-03 (“Neither the discrimination faced by blacks attempting to move into white neighborhoods nor white flight from neighborhoods into which blacks move will necessarily result in the apartheid-like landscape that characterizes much of urban America without whites concomitantly avoiding black neighborhoods.”); *see also* SHARKEY, *supra* note 36, at 28 (noting that economic differences do not explain the far higher

preferences appear to play an independent role.⁴¹ Moreover, because housing choices are iterative and interdependent, wealth disparities and discrimination in housing access can be magnified and replicated through home selection choices that take racial composition into account.⁴²

In the Sections below, I will explain how racial bias enters into housing search protocols, clarify that it does more than merely proxy for race-neutral variables, and discuss the impediments that it presents to the pursuit of fair housing.

1. Search Heuristics and Racial Bias

White homeseekers, especially homebuyers, tend to avoid neighborhoods with substantial African American populations.⁴³ Neighborhood racial composition factors into the preferences of black homeseekers as well, although to a much lesser extent and for reasons that are often endogenous to perceived white racial preferences.⁴⁴ Although little research has addressed the question,⁴⁵ it is not hard to imagine how information about race might enter into the search process. Racial composition is one of the easiest pieces of information to learn about neighborhoods from publicly available data, and it

percentages of black children, including those in middle- and upper-income families, who grow up in high-poverty neighborhoods, compared with white children).

⁴¹ See Maria Krysan, Reynolds Farley & Mick P. Couper, *In the Eye of the Beholder: Racial Beliefs and Residential Segregation*, 5 DU BOIS REV. 5, 18 (2008); Seicshnaydre, *supra* note 3, at 980-86.

⁴² See *infra* Section I.A.3 (examining these interactions); see also Krysan, Crowder & Bader, *supra* note 39, at 39-47 (discussing how dynamic processes perpetuate segregation in ways not captured by examining individual explanations in isolation).

⁴³ Studies on preferences and observed moving behavior both support this conclusion. See, e.g., ELLEN, *supra* note 6, at 131-51 (reviewing literature); see also CHARLES, *supra* note 33, at 125-30 (discussing Los Angeles survey results using the “showcard” method to elicit neighborhood racial composition preferences that found “fewer than one-fifth of whites ha[d] an ideal neighborhood that was over 20 percent black”); Robert J. Sampson & Patrick Sharkey, *Neighborhood Selection and the Social Reproduction of Concentrated Racial Inequality*, 45 DEMOGRAPHY 1, 25 (2008) (finding, in a study tracing the flow of moves made by Chicago families, that “80% of whites transition into (or remain in) neighborhoods that are predominantly white and nonpoor, whether inside or outside the city”). Some recent research designs move beyond stated preferences to attempt to isolate the role of race in hypothetical decisionmaking. See, e.g., Michael D. M. Bader & Maria Krysan, *Community Attraction and Avoidance in Chicago: What’s Race Got to Do with It?*, 660 ANNALS AM. ACAD. POL. & SOC. SCI. 261, 275 (2015); *infra* notes 69-78 and accompanying text.

⁴⁴ See *infra* Section I.B.2.

⁴⁵ See Bader & Krysan, *supra* note 43, at 277 (observing that existing studies on revealed preferences “fail to reveal how inequality seeps into the [search] process”).

may be explicitly used to pre-screen search areas—either as an overt desideratum or as a proxy for neighborhood quality.⁴⁶

Racial composition may also enter into search heuristics in more subtle ways. The cognitive and time demands of the home search process make some preliminary winnowing of neighborhoods inevitable.⁴⁷ Consider the role of word-of-mouth neighborhood recommendations (and warnings) that househunters receive from people in their familial, social, or employment circles—that is, from nonrandom demographic samples of the local population. Also suggestive are findings that people tend to be more familiar with neighborhoods that are close to them and in which their own race is overrepresented.⁴⁸ If knowledge of a neighborhood is a prerequisite to search within it, then the ways in which familiarity is established become important.⁴⁹

Home search advice is likely to get boiled down to simple formulas, such as invisible boundary lines that should not be crossed. A recent description of housing search in Oak Park, Illinois, illustrates this point: “People walk in with mental maps and memories of stories they saw on a blog and rumors they’ve once been told. *Don’t live on the east side of Oak Park.*”⁵⁰ Homebuyers may find it especially hard to ignore such bright-line prescriptions even if they personally take them with a grain of salt, given the likelihood that others—including the future homebuyers to whom they will later wish to sell—will hear and heed the same rules. More broadly, these and similar heuristics can fuel predictions about the future racial composition of the neighborhood and trigger concerns about property values and local services.⁵¹ The result can be

⁴⁶ See *infra* Section I.A.2.

⁴⁷ See Bader & Krysan, *supra* note 43, at 263-64.

⁴⁸ See Maria Krysan & Michael D. M. Bader, *Racial Blind Spots: Black-White-Latino Differences in Community Knowledge*, 56 SOC. PROBS. 677, 686-96 (2009).

⁴⁹ For example, friends and family may play a large role in establishing familiarity, entrenching the influence of past segregation. See Bader & Krysan, *supra* note 43, at 278. Past residential choices also influence whether people perceive a particular neighborhood as too far away to consider. See *id.* at 276 (“Due to the ongoing racial segregation of Chicago, what is proximate or too far is racialized.”); see also EVIATAR ZERUBAVEL, *THE FINE LINE* 27 (1991) (observing that “distance is greatly affected by mental processes such as lumping and splitting” and explaining that “we often inflate ‘distances’ across mental divides and perceive them as greater than even longer distances within the same entity”).

⁵⁰ Emily Badger, *How Race Still Influences Where We Choose to Live*, WASH. POST: WONKBLOG (July 17, 2015, 3:19 PM), <https://www.washingtonpost.com/news/wonk/wp/2015/07/17/how-race-still-influences-where-we-chose-to-live/> [<https://perma.cc/D4LN-UMLM>] (relating a conversation with Kate Lindberg-Vazquez, a rental housing advisor at Oak Park Regional Housing Center).

⁵¹ See ELLEN, *supra* note 6, at 135 (observing that “in the case of many whites, much of their reluctance [to enter neighborhoods with substantial minority populations] stems from fears about the future quality of services delivered in the neighborhood, rather than a simple dislike of non-whites”). Property values are widely cited as a reason for race-based decisionmaking. See, e.g., *id.* at 109 (reporting on 1992 Detroit survey responses in which

an entrenched neighborhood reputation that becomes a self-fulfilling prophecy.⁵²

Of course, some househunters may simply visit prospective neighborhoods and form impressions based on what they observe. Even this alternative is deeply infused with racial overtones, however. Recent studies have shown that when white participants evaluate neighborhoods shown in video vignettes, an objectively identical neighborhood scene (people walking down the street, working on cars, and so on) will be rated lower when African American people are visible in the scene than when only white people are observed.⁵³ Whether this discounting operates at a conscious level or not, it suggests that even those white househunters who are open to visiting unknown neighborhoods as part of their housing search may end up making racially biased housing choices.

Technological changes in the mechanics of search could also impact the role that racial composition plays in location decisions. Online reviews of neighborhoods are becoming more common⁵⁴ and may increasingly supplement or supplant other information sources. If those who post online come from a broader mix of demographic backgrounds than the families, friends, and coworkers of homebuyers, the results could help to break down existing path dependencies in housing choice. However, people may resort to online guidance only after having made a first cut based on information derived from word-of-mouth recommendations, personal familiarity, or explicit screening based on racial composition. Moreover, race-based stereotypes about particular areas may become reinforced and amplified through repetition online.

“falling property values and rising crime” were the most common reasons provided by white respondents for why they would leave a racially mixed area); *infra* Section IV.C.3 (discussing the significance of homeownership and prospects for stake-lowering).

⁵² See ROBERT J. SAMPSON, *GREAT AMERICAN CITY: CHICAGO AND THE ENDURING NEIGHBORHOOD EFFECT* 316 (2012) (explaining the role of “[n]eighborhood reputations” for disorder which can produce a “reinforcing cycle” and observing that “[s]ocial perceptions of disorder actually had a larger effect on later poverty levels than the inertial path dependence for which prior poverty serves as a direct proxy”); Boger, *supra* note 3, at 1578 (explaining that beliefs about lower property values in integrated neighborhoods “tend to become self-fulfilling prophesies”).

⁵³ See Maria Krysan et al., *Does Race Matter in Neighborhood Preferences? Results from a Video Experiment*, 115 AM. J. SOC. 527, 541-42, 548-49 (2009); Krysan, Farley & Couper, *supra* note 41, at 15-19.

⁵⁴ See, e.g., Melanie Pinola, *How Can I Quickly Find the Best Neighborhood(s) in Any City—and the Best Hangouts Therein?*, LIFEHACKER: ASK LIFEHACKER (May 10, 2012, 10:00 AM), <http://lifehacker.com/5909195/how-can-i-quickly-find-the-best-neighborhoods-in-any-city-and-the-best-hangouts-therein> [<https://perma.cc/SP7Q-E999>] (describing a variety of tools for assessing neighborhoods and accessing reviews about them); STREETADVISOR, <http://www.streetadvisor.com> [<https://perma.cc/89SF-YQ8D>] (last visited Nov. 26, 2016) (presenting user reviews and ratings of neighborhoods and streets).

The widespread availability of internet access through mobile devices makes information easier to access and parse on the fly. New smartphone apps can marshal data and recommend communities to users.⁵⁵ For example, Dwellr, developed by the U.S. Census Bureau, uses Census Bureau data to match users with communities based on their preferences—including whether they prefer a community mostly made up of families with children.⁵⁶ And at least one online interface, ZipWho.com, allows users to directly filter locations based on racial composition (as well as many other dimensions) by choosing demographic factors from dropdown menus and specifying upper and lower percentage bounds.⁵⁷

Racial bias might also work its way into other information tools used by homeseekers. For example, concerns about racial bias plagued the now-withdrawn crowdsourcing app, SketchFactor, which aggregated user reports about safety and “sketchiness” in DC neighborhoods.⁵⁸ Studies showing how racial bias can infect impressions about disorder and neighborhood quality raise serious concerns about such reports.⁵⁹ Even objective information about safety can produce path dependence, as systematic avoidance of an area renders it increasingly less safe.⁶⁰

⁵⁵ See Michele Lerner, *To Make It Home Sweet Home, There's an App for That*, WASH. POST: REAL ESTATE (June 4, 2015), http://www.washingtonpost.com/realestate/theres-an-app-for-that/2015/06/03/62ebdb54-e4e4-11e4-8abc-d6aa3bad79dd_story.html [<https://perma.cc/G2XU-MH3F>].

⁵⁶ See Dwellr, U.S. CENSUS BUREAU, <https://www.census.gov/mobile/dwellr/> [<https://perma.cc/SR4Y-MTMY>] (last visited Nov. 30, 2016).

⁵⁷ ZIPWHO.COM, <http://zipwho.com/> [<https://perma.cc/R3SB-AP9C>] (last visited Nov. 27, 2016) (billing its service as “[t]he most fun you can legally have with ZIP codes”).

⁵⁸ See Andrew Marantz, *When an App Is Called Racist*, NEW YORKER: CURRENCY (July 29, 2015), <http://www.newyorker.com/business/currency/what-to-do-when-your-app-is-racist> [<https://perma.cc/99R4-BQJK>].

⁵⁹ See generally Kryan et al., *supra* note 53; Robert J. Sampson & Stephen W. Raudenbush, *Seeing Disorder: Neighborhood Stigma and the Social Construction of “Broken Windows,”* 67 SOC. PSYCHOL. Q. 319 (2004).

⁶⁰ See JANE JACOBS, *THE DEATH AND LIFE OF GREAT AMERICAN CITIES* 35-42 (1961) (noting the importance of “eyes upon the street” in making areas safe). Such concerns were raised in connection with Microsoft’s “Pedestrian Route Production” app, U.S. Patent No. 20,090,157,302 (filed Dec. 14, 2007), which contemplated a function that could “tak[e] the user through neighborhoods with violent crime statistics below a certain threshold,” *id.*; see also Allison Keyes, *This App Was Made for Walking—But Is It Racist?*, NPR: DIGITAL LIFE (Jan. 19, 2012, 5:13 PM), <http://m.npr.org/story/145337346?url=/2012/01/25/145337346/this-app-was-made-for-walking-but-is-it-racist> [<https://perma.cc/XLH4-E7T3>]. Another recently introduced walking app likewise incorporates crime statistics. See Liz Camuti, *Walkonomics: What Makes the Best Route?*, AM. SOC’Y LANDSCAPE ARCHITECTS: THE DIRT (July 23, 2015), <https://dirt.asla.org/2015/07/23/walkonomics-what-makes-the-best-route/> [<https://perma.cc/NLL5-C9DF>] (describing the “Walkonomics” app, which rates “walkability” based on several factors, including “fear of crime”).

More complex predictive algorithms can be readily imagined that would either explicitly or implicitly build in racial criteria. Consider, for example, a fictitious app designed for households relocating to a new metropolitan area—call it “Tiebout2Go.”⁶¹ Families type in the address of their current home, input a commuting range and a price bracket in the new area, and receive a list of suitable homes within neighborhoods and local jurisdictions that most closely resemble their current environment in terms of demographics, income, occupations, aesthetics, political leanings, local services, school quality, and proximity to local amenities.⁶² The software is highly predictive of which homes and neighborhoods the user will like, greatly expediting the matching process.⁶³ Search costs fall, but so too do the prospects for disrupting entrenched housing patterns, including those involving racial composition.⁶⁴

⁶¹ Charles Tiebout is best known for his theory that (under certain strong assumptions) households will sort into communities that provide their preferred mix of services, amenities, and taxes, making the choice among locations similar to an ordinary shopping experience. See Charles M. Tiebout, *A Pure Theory of Local Expenditures*, 64 J. POL. ECON. 416, 422 (1956).

⁶² For discussion of past or existing tools making use of very similar approaches, see generally John T. Metzger, *Clustered Spaces: Racial Profiling in Real Estate Investment* (2001) (unpublished manuscript) (on file with author). For example, the “Community Calculator Neighborhood Locator” asked users to input the zip code from which they were moving along with the city or community to which they were moving, and generated recommendations of demographically similar communities. See *id.* at 17-18, 36 fig.2. This tool was the subject of legal challenges. *Id.* at 17; see also *Isaac v. Norwest Mortg.*, No. Civ. A. 300CV0989-L, 2002 WL 1119854, at *1-2 (N.D. Tex. May 23, 2002) (granting Norwest’s motion for summary judgment on standing grounds), *aff’d*, 58 F. App’x 595 (5th Cir. 2003).

⁶³ The related idea of using data to generate personalized default rules in various domains has received recent scholarly attention. See Ariel Porat & Lior Jacob Strahilevitz, *Personalizing Default Rules and Disclosure with Big Data*, 112 MICH. L. REV. 1417 (2014); Cass R. Sunstein, *Deciding by Default*, 162 U. PA. L. REV. 1, 48-56 (2013). If racial or other protected-class data about the housing consumer herself were used as part of the algorithm that determined which homes she was likely to prefer, legal prohibitions on steering would plainly kick in—just as a real estate agent may not make such predictions herself based on her client’s race. For discussion of some normative issues surrounding use of demographic data in formulating personalized default rules, see Porat & Strahilevitz, *supra*, at 1461-67.

⁶⁴ The potential for algorithmic approaches to replicate and perpetuate past discriminatory patterns has received significant recent attention. See, e.g., Solon Barocas & Andrew D. Selbst, *Big Data’s Disparate Impact*, 104 CALIF. L. REV. 671, 682 (2016) (highlighting the concern that algorithms trained on past hiring decisions will automate and reinforce past discrimination that might be embedded in those decisions); Anupam Chander, *The Racist Algorithm?*, 115 MICH. L. REV. (forthcoming 2017) (manuscript at 13), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2795203 [<https://perma.cc/4Z4F-8L2K>] (describing “viral discrimination” that can occur when algorithms reproduce past discrimination); Joshua A. Kroll et al., *Accountable Algorithms*, 165 U. PA. L. REV. 633, 680 (2017) (observing that “algorithms that include some type of machine learning can lead to discriminatory results if the algorithms are trained on historical examples that reflect past

Such an app would operate like an especially powerful but less transparent word-of-mouth recommendation. Here, instead of the consumer receiving recommendations from those in her own circle of acquaintances, she is effectively receiving the recommendation from herself, based on her past choices—even though those choices may have been made in constrained choice settings or generated through biased processes. The capacity of such technologies to replicate and thereby entrench past choices is worrisome.⁶⁵ Similar concerns attached to earlier forms of “cluster profiling” that were used to classify neighborhoods for homeseekers based on demographic data.⁶⁶

2. Proxies and Preferences

Race clearly matters when it comes to housing search. But how much of the observed bias in homeseeking can be explained by the idea that racial composition serves as a proxy for neutral variables relating to neighborhood quality, such as safety, schools, and services? The question connects to two potential lines of reasoning.⁶⁷ First, if neighborhood racial composition were a close proxy for neighborhood quality, then it might seem that eradicating race from home selection decisions and replacing it with race-neutral factors would do little or nothing to address segregated patterns. Second, if neighborhood racial composition were a poor proxy for neighborhood quality, then it might seem that the provision of better information and more useful proxies would solve the problem.

There is reason for skepticism about both propositions. Empirical work suggests that racial composition plays an independent role in home selection decisions, producing different results than would be generated based on objective neighborhood quality factors alone.⁶⁸ Yet the capacity of better

prejudice or implicit bias”); *cf.* Sunstein, *supra* note 63, at 49-50 (noting that basing defaults on past choices may eliminate opportunities for the kind of learning that occurs “as people encounter, entirely serendipitously, activities and products that do not in any way reflect their past choices”).

⁶⁵ Of course, predictive algorithms also endeavor to learn from their users, and could update preferences over time. *Cf.* Sunstein, *supra* note 63, at 53 (making this point in the context of personalized default rules). Algorithms that consciously build in a certain amount of random variation could overcome path dependence to generate new learning. *See* Kroll et al., *supra* note 64, at 683-84; *infra* notes 305-09 and accompanying text.

⁶⁶ *See* Metzger, *supra* note 62.

⁶⁷ It might also affect the normative assessment of the conduct. *See* ANDERSON, *supra* note 36, at 71; ELLEN, *supra* note 6, at 155. Note, however, that constitutional and statutory prohibitions on the use of racial classifications to dispense differential treatment do not recognize any exception for instances in which race might serve as a proxy for some other variable of legitimate interest. *See* David A. Strauss, *The Myth of Colorblindness*, 1986 SUP. CT. REV. 99, 106-13 (presenting hypotheticals involving accurate proxies to make this point).

⁶⁸ *See infra* notes 69-78 and accompanying text. Testing for this proposition is tricky, however, and not all researchers have reached the same conclusions. *See* Valerie A. Lewis,

information and tighter proxies to squeeze out the influence of race is greatly limited by the interdependent nature of housing search.

Instructive on the first point are studies that use a factorial analysis to isolate the effect of racial composition on hypothetical home purchase decisions.⁶⁹ One study published in 2001 asked white respondents in a nationwide telephone survey to imagine they had two school-aged children and were in the market for a new house.⁷⁰ They were then asked to indicate the likelihood they would buy a hypothetical house that otherwise met their requirements, after receiving (randomly generated) neighborhood information along five dimensions: school quality, racial composition, property value trends, the home's value relative to those of others in the neighborhood, and crime rate.⁷¹ The study found that “[b]lack neighborhood composition . . . matters significantly, even after controlling for proxy variables.”⁷² A more recent study using similar methodology in the Houston metropolitan area likewise found that “white respondents were less likely to say they would buy the house as the percentage of black residents in the neighborhood increased, even after controlling for the proxy variables.”⁷³

Michael O. Emerson & Stephen L. Klineberg, *Who We'll Live with: Neighborhood Racial Composition Preferences of Whites, Blacks, and Latinos*, 89 SOC. FORCES 1385, 1386 (2011) (“The debate over whether racial composition has an independent influence on neighborhood preferences remains unsettled due to inherent limitations of data and methodology.”). Neither revealed location preferences nor preference surveys offer an empirically crisp view of motivations, neighborhood quality is difficult to measure, and correlations between race and socioeconomic status complicate the picture. See ELLEN, *supra* note 6, at 3-6; Lewis, Emerson & Klineberg, *supra*, at 1386-88. For a discussion of methodological issues surrounding the analysis of residential choice, see generally Elizabeth E. Bruch & Robert D. Mare, *Methodological Issues in the Analysis of Residential Preferences, Residential Mobility, and Neighborhood Change*, 42 SOC. METHODOLOGY 103 (2012).

⁶⁹ An initial nationwide survey used this factorial approach to examine white preferences. Michael O. Emerson, Karen J. Chai & George Yancey, *Does Race Matter in Residential Segregation? Exploring the Preferences of White Americans*, 66 AM. SOC. REV. 922, 924-25 (2001). A later study employing the same methodology focused on the Houston metropolitan area and included the preferences of blacks and Latinos as well as whites. Lewis, Emerson & Klineberg, *supra* note 68.

⁷⁰ Emerson, Chai & Yancey, *supra* note 69, at 924-27.

⁷¹ *Id.* at 925-26.

⁷² *Id.* at 931. Whites became unlikely to purchase the home when the black percentage was above fifteen percent and became increasingly unlikely as it rose beyond that threshold. *Id.* at 932. The authors concluded, “[o]ur findings suggest a low probability of whites moving to neighborhoods with anything but a token black population, even after controlling for the reasons they typically give for avoiding residing with African Americans.” *Id.* The effects were found to be especially strong among respondents who had children under age eighteen in the home. *Id.* at 930-31.

⁷³ Lewis, Emerson & Klineberg, *supra* note 68, at 1396.

Another recent study in the Chicago area examined which, out of a set of forty-one real communities, respondents said they would “seriously consider” or “never consider.”⁷⁴ There, “[w]hites’ willingness to seriously consider neighborhoods declined rapidly as the percent black and Latino increased,” and this effect “existed even in the presence of controls that are thought to explain differences in racial preferences” including “home values, school scores, and crime rates.”⁷⁵ Similarly, “[w]hites were more likely to avoid communities as both the percentage of African Americans and Latinos increased”⁷⁶ and “[a]gain, these racial differences persisted after controlling for neighborhood characteristics.”⁷⁷

Although outright racial animus is one explanation for these results, it is also possible that respondents are actually applying an implicit discount to some of the other quality variables based on the racial composition, reflecting their prior beliefs about correlations between neighborhood quality and race.⁷⁸ The fact that these beliefs are empirically faulty does not keep them from exerting strong pressure on housing purchase decisions. And the more frequently they do so, the more reinforced and entrenched those faulty beliefs become. Finding ways to shift reliance to underlying neighborhood quality measures rather than racial stereotypes could break this destructive feedback loop.⁷⁹

This brings us to the second line of reasoning mentioned above. Could the increasing richness and multidimensionality of data about places to live reduce reliance on the crude proxy of race and thereby render homeseeking less biased?⁸⁰ The salutary effect of increased information in squeezing out bad proxies has been suggested in other contexts, such as employment.⁸¹ Home

⁷⁴ Bader & Krysan, *supra* note 43, at 262-63.

⁷⁵ *Id.* at 275.

⁷⁶ *Id.*

⁷⁷ *Id.* at 276. Interestingly, “neither violent nor property crime rates had independent effects on whether a community would be avoided.” *Id.*

⁷⁸ Emerson, Chai & Yancey, *supra* note 69, at 932-33 (discussing “the possibility that whites cannot or will not divorce race from variables for which race serves as a proxy” and that they might, for example, “still think ‘higher crime’ even if told lower crime”). Such a possibility is buttressed by work showing that perceptions of crime in an area are influenced by race, after controlling for actual crime levels. See Lincoln Quillian & Devah Pager, *Black Neighbors, Higher Crime? The Role of Racial Stereotypes in Evaluations of Neighborhood Crime*, 107 AM. J. SOC. 717, 718 (2001) (finding “that the percentage of a neighborhood’s black population, particularly the percentage young black men, is significantly associated with perceptions of the severity of the neighborhood’s crime problem” even after controlling for crime rates and other neighborhood characteristics).

⁷⁹ See ROITHMAYR, *supra* note 5, at 57-68 (discussing the “snowballing” dynamic of positive feedback loops, which operates to magnify initial advantages and disadvantages).

⁸⁰ Cf. Strahilevitz, *supra* note 28, at 364-75 (examining the possibility that increased availability of information about individuals could reduce statistical discrimination in hiring and other contexts).

⁸¹ For example, an employer who wishes to avoid hiring an ex-convict might make use

selection decisions, however, differ in their deep interdependence. Homebuyers in particular may feel they cannot switch to new proxies in the absence of assurance that abandonment of racial proxies will be sufficiently widespread. Unlike an employer who can achieve gains on her own by selecting a tighter-fitting proxy for employee quality, a homeseeker benefits from a better proxy for neighborhood quality (at least in the sense of safeguarding property values) only if many others will also use similar proxies in constructing their bids for homes.⁸²

Consider in this connection recent work by economists Jungsuk Han and Francesco Sangiorgi modeling information acquisition in “beauty contest” situations: ones in which each player’s payoff depends not on whether he chooses the most objectively “beautiful” candidate, but rather whether he chooses the candidate that most others will deem to be the most beautiful.⁸³ Where the need to coordinate expectations with those of others is greater than the desire to choose the best alternative on the merits, a flawed but widely shared information source can become a focal point.⁸⁴ As Han and Sangiorgi explain, “[w]hen the coordination motive is sufficiently strong, there exists an equilibrium in which all agents choose to focus on the inferior information source.”⁸⁵ Because home values have as their inputs the proxies employed by numerous current and future homeseekers, racial composition may be a focal, and thus difficult-to-shake, information source.

of criminal records rather than demographic statistical correlations in deciding who to hire. *See id.* at 365-66, 371-73 (discussing this example and noting the potential benefits of increased availability of information in reducing statistical discrimination).

⁸² *See* ANDERSON, *supra* note 36, at 71 (“Although the self-fulfilling prophecy could be avoided if whites collectively refused to racially profile neighborhoods, any individual white who ignores the racial profile risks a large personal loss in access to advantage for a negligible positive impact on the neighborhood’s access.”).

⁸³ Jungsuk Han & Francesco Sangiorgi, *Searching for Information 4* (Oct. 30, 2015) (unpublished manuscript), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2635392 [<https://perma.cc/9JEZ-4UB2>]. The beauty contest metaphor is originally from JOHN MAYNARD KEYNES, *THE GENERAL THEORY OF EMPLOYMENT, INTEREST, AND MONEY* 156 (1936) (analogizing investment to a contest for choosing the prettiest faces, but one in which the winner is “the competitor whose choice most nearly corresponds to the average preferences of the competitors as a whole”).

⁸⁴ *See* Han & Sangiorgi, *supra* note 83, at 29 (“We find that agents may collectively prefer an inferior information source due to coordination motives.”); *cf.* Lior Jacob Strahilevitz, *Exclusionary Amenities in Residential Communities*, 92 VA. L. REV. 437, 444, 454-57 (2006) (discussing use of amenities correlated with demographic characteristics as focal points in newly developed communities, where demographic composition cannot yet be directly observed). On the use of focal points to solve coordination problems more generally, see RICHARD H. MCADAMS, *THE EXPRESSIVE POWERS OF LAW* 22-56 (2015); THOMAS C. SCHELLING, *THE STRATEGY OF CONFLICT* 53-80, 89-118 (1960).

⁸⁵ Han & Sangiorgi, *supra* note 83, at 4.

3. Search as an Impediment to Fair Housing

Biased homeseeking is not a benign phenomenon. Racially restrictive search procedures impede fair housing opportunities in at least three interlocking ways. First, by entrenching segregated patterns and preferences, race-based househunting makes stable integrated choices difficult to initiate, foster, and maintain.⁸⁶ At a most basic level, existing patterns define the choice sets that confront homeseekers: one cannot choose an integrated neighborhood that does not exist.⁸⁷ Recent scholarship models how race-based homeseeking creates a self-perpetuating segregative cycle that amplifies preexisting income inequalities⁸⁸: in order to have more same-race neighbors, whites choose more wealthy neighborhoods than they otherwise would, while blacks accept less wealthy neighborhoods.⁸⁹ The resulting dynamic fuels continuing racial

⁸⁶ See SCHELLING, *supra* note 5, at 146 (“People who have to choose between polarized extremes—a white neighborhood or a black . . . will often choose in the way that reinforces the polarization.”).

⁸⁷ See Lincoln Quillian, *A Comparison of Traditional and Discrete-Choice Approaches to the Analysis of Residential Mobility and Locational Attainment*, 660 ANNALS AM. ACAD. POL. & SOC. SCI. 240, 243-44 (2015) (observing that “[a] household cannot move to a neighborhood that does not exist,” and explaining how the choice set is fixed in advance of the individual household’s choice).

⁸⁸ See, e.g., Alejandro Badel, *A Racial Inequality Trap* (Research Div., Fed. Reserve Bank of St. Louis, Working Paper No. 2015-034A, 2015), <https://research.stlouisfed.org/wp/2015/2015-034.pdf> [<https://perma.cc/9A8X-LA3L>].

⁸⁹ *Id.* at 3; see also Elizabeth E. Bruch, *How Population Structure Shapes Neighborhood Segregation*, 119 AM. J. SOC. 1221, 1252 (2014) (finding, in a stylized simulation model, that “when blacks are poorer, on average, than whites, high-income blacks will live in poorer neighborhoods, on average, than their white counterparts” and observing that “this pattern is also found in U.S. census data” (citing JOHN R. LOGAN, SEPARATE AND UNEQUAL: THE NEIGHBORHOOD GAP FOR BLACKS, HISPANICS AND ASIANS IN METROPOLITAN AMERICA (2011), <https://s4.ad.brown.edu/Projects/Diversity/Data/Report/report0727.pdf> [<https://perma.cc/PY6S-9QG5>])); Quillian, *supra* note 87, at 255-56 (finding, based on conditional logit analysis, “that the huge gap in the odds of moving into a poor neighborhood between whites and blacks mostly reflects the fact that whites move into white neighborhoods and blacks move into black neighborhoods, and there is a large average difference in poverty rates and income between white and black neighborhoods”); see also SHARKEY, *supra* note 36, at 27-28 (“Two out of three African American children born from 1985 to 2000 have been raised in neighborhoods with at least 20 percent poverty, compared to just 6 percent of whites.”); John Eligon & Robert Gebeloff, *Affluent and Black, and Still Trapped by Segregation*, N.Y. TIMES (Aug. 20, 2016), http://www.nytimes.com/2016/08/21/us/milwaukee-segregation-wealthy-black-families.html?_r=0 [<https://perma.cc/7E9K-HCZE>] (“In many of America’s largest metropolitan areas, including New York, Chicago and Los Angeles, black families making \$100,000 or more are more likely to live in poorer neighborhoods than even white households making less than \$25,000.”).

inequality, visiting significant harm on African Americans while producing relatively small gains for whites.⁹⁰

Second, biased homeseeking by white households produces price premiums in white neighborhoods relative to homes in African American neighborhoods.⁹¹ Homes in white neighborhoods also appreciate at higher rates for a given level of housing stock and local amenities.⁹² As the housing wealth that African Americans and whites accumulate over time diverges as a result of this dynamic, African Americans are less able to compete for homes in more affluent neighborhoods.⁹³ Through this mechanism, housing search decisions tighten the connection between race and wealth, and thereby withdraw housing opportunities based on race.⁹⁴

⁹⁰ Badel, *supra* note 88, at 27 (“[E]ven though racial preferences are the engine of this inequality trap, racial integration implies large welfare gains for black households and relatively small losses for white households.”).

⁹¹ See David M. Cutler, Edward L. Glaeser & Jacob L. Vigdor, *The Rise and Decline of the American Ghetto*, 107 J. POL. ECON. 455, 457-58 (1999) (“By 1990 . . . whites pay more for equivalent housing than blacks in more segregated metropolitan areas, suggesting that decentralized racism has replaced centralized racism as the factor influencing residential location.”); Casey J. Dawkins, *Recent Evidence on the Continuing Causes of Black-White Residential Segregation*, 26 J. URB. AFF. 379, 389-90 (2004) (summarizing hedonic regression studies, which suggest there is a premium associated with segregated white areas, although its magnitude may be changing in certain areas); John Yinger, *Hedonic Estimates of Neighborhood Ethnic Preferences*, 44 PUB. FIN. REV. 22, 44 (2016) (presenting findings based on hedonic regression models that, among other results, “indicate that houses in all-white neighborhoods may have housing prices up to one-third higher than houses in integrated neighborhoods, all else equal”); see also Patrick Bayer et al., *A Dynamic Model of Demand for Houses and Neighborhoods*, 84 ECONOMETRICA 893, 928-31 (2016) (finding a dynamic model produces lower estimates for willingness to pay for same-race neighbors).

⁹² See Chenoa Flippen, *Unequal Returns to Housing Investments? A Study of Real Housing Appreciation Among Black, White, and Hispanic Households*, 82 SOC. FORCES 1523, 1540 (2004) (reporting results finding that “the negative effect on home appreciation of having a very large initial black population (i.e., greater than 65%) at the time of purchase remains statistically significant even after accounting for all other factors that influence housing appreciation”); Jacob S. Rugh, Len Albright & Douglas S. Massey, *Race, Space, and Cumulative Disadvantage: A Case Study of the Subprime Lending Collapse*, 62 SOC. PROBS. 186, 195 (2015) (finding confirmation of “the well-documented disparity in home appreciation rates by race and neighborhood racial composition” in data showing that black borrowers saw smaller local home price gains between 2000 and the peak in 2006-2007 than white borrowers (139% versus 168%), yet the local home price losses that followed were deeper for black borrowers than for white borrowers).

⁹³ See ROITHMAYR, *supra* note 5, at 109. Segregation produces harms through other mechanisms as well, many of which feed back into the ability to compete effectively for the housing of one’s choice. For example, segregation in housing translates into shortfalls in educational and employment opportunities. See ANDERSON, *supra* note 36, at 23-43. Housing segregation also constrains who people are likely to meet, date, and marry. See Emens, *supra* note 8, at 1396-1400.

⁹⁴ See, e.g., ROITHMAYR, *supra* note 5, at 63-64, 109-15 (discussing ways that racial

Third, race-based search procedures both motivate and facilitate housing discrimination by those providing access to housing. Thus, landlords, realtors, or developers may be incentivized to discriminate in order to produce housing patterns that are pleasing to their target audiences.⁹⁵ Biased search can also make it easier for providers of housing to achieve segregated results without resorting to overt discrimination. For example, housing providers may embed housing amenities that enable parties to more easily self-select into segregation.⁹⁶ The prevalence of racially biased housing consumers can thus alter the mix of housing that is provided in the marketplace as well as the degree of segregation that it exhibits.

B. *Are There Countervailing Considerations?*

One might concede that racially biased search can alter housing opportunity sets and even generate certain kinds of disadvantage, but deny that it represents a phenomenon that, on balance, justifies intervention. On the contrary, the argument might run, any effort to reduce racially restrictive homeseeking will primarily work to the disadvantage of African American households by fueling gentrification and compromising their efforts to form and maintain identifiably black neighborhoods. Do these countervailing concerns undermine the claims above?

1. Gentrification and Displacement

To this point, the discussion of biased search heuristics has used as its prototype the white homeseeker who shuns neighborhoods that include more than a small percentage of minority households. This model of biased search may seem anachronistic or at least incomplete. Indeed, given the dynamics of gentrification, one might wonder whether the real threat to minority communities today is not the risk that white households will stay *out*, but rather that they will move *in*—not “white avoidance,” but “white invasion.”⁹⁷ On this account, it might seem that biased homeseeking could at least diminish the chance that minority households will be displaced through rising home prices or that communities of color will be torn apart by rapid changes.

Addressing this line of reasoning requires us to consider gentrification’s place within the larger frame of urban segregation. Although gentrification

disparities in housing wealth become self-reinforcing).

⁹⁵ For example, discrimination by landlords that is designed to cater to the preferences of other tenants may be a significant concern. See generally Pierre-Philippe Combes et al., *Neighbor Discrimination: Theory and Evidence from the French Rental Market* (Oct. 2016) (unpublished manuscript), <https://ssrn.com/abstract=2866997> [<https://perma.cc/UY7B-LHY3>] (modeling and testing the influence of customer discrimination in the French rental market based on whether a landlord owns one or many units in the same building).

⁹⁶ See Strahilevitz, *supra* note 84 (discussing the use of exclusionary amenities in private communities).

⁹⁷ On white avoidance and white invasion, see generally Freeman & Cai, *supra* note 7.

stereotypically connotes dramatic racial turnover and displacement, its association with these effects is empirically contested.⁹⁸ A recent study focusing specifically on white entry into black neighborhoods finds that despite a marked uptick in such invasion in the decade 2000 to 2010, it remained a relatively limited phenomenon affecting no more than eleven percent of predominantly black census tracts.⁹⁹ Recent research on Chicago neighborhoods suggests that predominantly minority neighborhoods are less likely to gentrify or to continue on a path of gentrification than neighborhoods with a substantial proportion of whites.¹⁰⁰ Despite receiving the lion's share of attention, gentrification appears to be empirically overshadowed by stasis and decline, at least in cities like Chicago and Philadelphia.¹⁰¹

⁹⁸ This is partly a matter of definition. *See, e.g.*, Jackelyn Hwang & Robert J. Sampson, *Divergent Pathways of Gentrification: Racial Inequality and the Social Order of Renewal in Chicago Neighborhoods*, 79 AM. SOC. REV. 726, 727 (2014) (adopting a definition of gentrification that “does not require that displacement or racial turnover occur, which are still widely debated empirical questions”); *see also* Lei Ding, Jackelyn Hwang & Eileen Divringi, *Gentrification and Residential Mobility in Philadelphia*, 61 REGIONAL SCI. & URB. ECON. 38, 39-40, 49 (2016) (reviewing past literature on displacement and presenting results from their 2002 to 2014 mobility study in Philadelphia showing that “more vulnerable individuals . . . are not necessarily more likely to move from gentrifying neighborhoods than similar residents in nongentrifying neighborhoods”—though they were more likely to experience downward mobility if they did move); Ingrid Gould Ellen & Katherine M. O'Regan, *How Low Income Neighborhoods Change: Entry, Exit, and Enhancement*, 41 REGIONAL SCI. & URB. ECON. 89, 92-94, 96-97 (2011) (presenting findings, based on a study of low-income neighborhoods in the 1990s, suggesting that gentrification did not produce elevated levels of displacement or racial change).

⁹⁹ *See* Freeman & Cai, *supra* note 7, at 306 (defining white invasion “as an increase in the white population that represents at least 5 percent of the total population at the beginning of the decade”); *id.* at 305-06 (finding that eighty-nine percent of predominantly black neighborhoods, defined as over fifty percent non-Hispanic black in 2000, did not experience white invasion between 2000 and 2010). The proportion of uninvasion rises to nearly ninety-five percent if black neighborhoods are defined as ninety percent non-Hispanic black. *See id.* at 309, 312 tbl.1. The distribution of white invasion has not been evenly spread across the country, however, and affects larger and smaller percentages of tracts in different areas. *See id.* at 309 fig.2.

¹⁰⁰ *See* Hwang & Sampson, *supra* note 98, at 744-48.

¹⁰¹ *See, e.g.*, NATHALIE P. VOORHEES CTR. FOR NEIGHBORHOOD & CMTY. IMPROVEMENT, UNIV. OF ILL. AT CHI., THE SOCIOECONOMIC CHANGE OF CHICAGO'S COMMUNITY AREAS (1970-2010): GENTRIFICATION INDEX 2 (2014), http://media.wix.com/ugd/992726_3653535630f748cbae3a4f1d9db3bb5c.pdf [<https://perma.cc/R7PE-BL95>] (“Although much attention has been given to neighborhood upgrading (gentrification), our analysis illustrates that decline is more prevalent in the City of Chicago as a whole.”). This recent study of Chicago's seventy-seven official community areas using a thirteen-factor gentrification index found that only nine communities gentrified during the period 1970 to 2010, three more had smaller increases in factors correlated with gentrification, thirty-four did not experience a major change, and thirty-one experienced mild to severe decreases—with the largest decreases concentrated in the city's

None of this is meant to deny that invasive or disruptive gentrification exists or that it carries the potential to visit significant harm on communities, through displacement or otherwise.¹⁰² Nor does the current infrequency of a phenomenon mean that it should be ignored when setting policy, especially if the policies under discussion could alter its prevalence. Yet the threat of gentrification does not offer a meaningful argument in favor of disregarding homeseeker bias. On the contrary, harmful gentrification may be best understood as a process that is itself crucially fueled by race-based homeseeker choices.¹⁰³

An analogy can be drawn to the cascading dynamics of white flight.¹⁰⁴ In the standard gentrification story, there is an initial entry into a largely minority

far south and west sides in majority African American or Latino communities. *Id.* at 22-25, 28. Recent work tracing neighborhood changes in Philadelphia employing an income-based methodology similarly “found that only 15 of Philadelphia’s 372 residential census tracts gentrified from 2000 to 2014,” while “[m]ore than 10 times that many census tracts—164 in all—experienced statistically significant drops in median household income during the period studied.” EMILY DOWDALL, PEW CHARITABLE TR., PHILADELPHIA’S CHANGING NEIGHBORHOODS: GENTRIFICATION AND OTHER SHIFTS SINCE 2000, at 1 (2016), http://pewtrusts.org/~media/assets/2016/05/philadelphias_changing_neighborhoods.pdf [<https://perma.cc/9BLP-NL4G>]. Another study of Philadelphia census tracts using a different methodology found a higher rate of gentrification between 2000 and 2013, though still involving a minority of tracts. *See* Ding, Hwang & Divringi, *supra* note 98, at 42 (“Of Philadelphia’s 365 tracts with substantial population sizes, we categorized 56 out of its 184 gentrifiable tracts as gentrifying.”).

¹⁰² Clearly, some neighborhoods do experience the kind of rapid racial change that is most often associated with harmful gentrification, even if this is not the statistically most common pattern. For example, of the fifteen gentrified tracts identified in the 2014 Pew study of Philadelphia cited above, twelve “had higher percentages of white residents in 2000 than the city as a whole” but the other three were “predominantly working-class African-American tracts” in the Graduate Hospital neighborhood that experienced a drastic racial change with the black population falling by more than half as the white population tripled. DOWDALL, *supra* note 101, at 2.

¹⁰³ *See* Hwang & Sampson, *supra* note 98, at 728-31. There are other important factors that drive gentrification as well, such as supply constraints on housing, that might be separately addressed. *See, e.g.*, John Mangin, *The New Exclusionary Zoning*, 25 STAN. L. & POL’Y REV. 91 (2014).

¹⁰⁴ *See* Freeman & Cai, *supra* note 7, at 315 (“[J]ust as the integration created by blacks moving into white neighborhoods often proved temporary, there is the risk that these black neighborhoods [experiencing white entry] will soon become predominantly white.”). For discussion of neighborhood “tipping” models, see generally Thomas C. Schelling, *A Process of Residential Segregation: Neighborhood Tipping*, in RACIAL DISCRIMINATION IN ECONOMIC LIFE 157 (Anthony H. Pascal ed., 1972). Recent empirical work using data from 1970 to 2000 has come to inconsistent conclusions as to whether a tipping model like the one Schelling developed matches with the way in which neighborhoods changed. *Compare* William Easterly, *Empirics of Strategic Interdependence: The Case of the Racial Tipping Point*, 9 B.E. J. MACROECONOMICS 1 (2009) (finding that Schelling’s model of strategic interaction is largely not supported by the data), *with* David Card, Alexandre Mas & Jesse

neighborhood by a few white households.¹⁰⁵ Their entrance might be precipitated by neighborhood amenities or affordable rehabbing opportunities, but their presence changes the composition of the neighborhood in ways likely to attract more whites. Once the area becomes known as a gentrifying one, white households may enter in increasing numbers based on anticipated racial trends.¹⁰⁶ Plausibly, the changing racial composition acts as an accelerant that causes more abrupt and disruptive changes than would occur in the absence of race-based decisionmaking. Seen through this lens, gentrification does not offer a counterpoint to integrative efforts, but rather another reason why integrative efforts are crucial to pursue.

Significantly, people moving into gentrifying neighborhoods do so against a backdrop of pervasive segregation—one in which neighborhoods may be viewed by large segments of the future resale market in binary terms based on the predominant race of the residents. In such a world, white homeseekers may be willing to take a chance on a gentrifying neighborhood only once it seems a sure bet to become predominantly white. A herding response would explain why intensive gentrification occurs within certain neighborhoods, while many other neighborhoods receive no economic boost at all. On this account, the most harmful forms of gentrification are artifacts of race-based homeseeking, not arguments for tolerating it. If more neighborhoods were stably integrated, property value increases and demographic changes would likely occur more evenly and organically across a larger set of neighborhoods.¹⁰⁷

2. Minority Preferences for Segregated Neighborhoods

Discussions about integration, when they do not run entirely aground on the issue of gentrification, are often stopped dead in their tracks by the assertion

Rothstein, *Tipping and the Dynamics of Segregation*, 123 Q.J. ECON. 177 (2008) (finding evidence of tipping in most cities, and calculating city-specific tipping points).

¹⁰⁵ This stylized account is meant to capture the process popularly associated with harmful gentrification, although gentrification occurs through a variety of processes that often diverge from this prototype. *See supra* notes 98-101 and accompanying text.

¹⁰⁶ Gentrification involves in-movers who are wealthier than existing residents, so later in-movers could be making decisions based only on the changing economic profile of the area rather than its changing racial composition. It is also possible that many white in-movers flock to gentrifying areas because they seek racial diversity, even as their increasing numbers make its sustainability less likely. Research suggests, however, that this increased amenability to diversity has limits, and that racial composition helps explain why gentrification occurs in some places and not others. *See Hwang & Sampson, supra* note 98, at 744-46.

¹⁰⁷ Evidence suggests that neighborhood gains may be capable of benefiting both in-movers and stayers without producing heightened levels of displacement. *See, e.g., Ellen & O'Regan, supra* note 98, at 92-96. Examining the conditions under which such neighborhood upgrading can occur, and the potential for it to be combined with sustainable increases in integration, represent important lines for future research.

that segregated minority communities prefer to stay that way.¹⁰⁸ This claim might seem to offer a powerful critique to the line of reasoning pursued here. So what if white homeseekers are using biased heuristics to skirt African American neighborhoods? To suggest that this is a problem might seem to offensively imply that the minority neighborhoods somehow “need” white households in their midst.¹⁰⁹

Yet the available evidence does not suggest that African American households generally desire high levels of racial separation. Far from an entrenched desire for absolute segregation, most preference surveys show black respondents respond favorably to a wide range of potential demographic mixes—a much wider mix than white respondents favor.¹¹⁰ Summing up a large number of studies, Casey Dawkins concludes that “evidence suggests that while both whites and blacks may have preferences for living in neighborhoods where their own race is in the majority, such preferences are still much stronger among whites, on average, than among blacks.”¹¹¹ A recent Chicago-area study found the same pattern, with black respondents reporting a much greater willingness than whites to consider a wide mix of communities ranging “from nearly all-white to nearly all-black and almost everything between.”¹¹²

¹⁰⁸ See, e.g., CHARLES, *supra* note 33, at 3 (“[A]ccording to this argument, racial residential segregation persists because that is the way everyone wants it: actual residential patterns reflect our unconstrained choices.”).

¹⁰⁹ See, e.g., ELLEN, *supra* note 6, at 160 (“Policies to promote neighborhood racial mixing have also been attacked for being demeaning to minorities, that is, for presuming that there is something inherently wrong with all-black communities.”).

¹¹⁰ There is strong and consistent evidence of this asymmetry. See, e.g., ELLEN, *supra* note 6, at 46 (“[S]urvey data consistently show that black households are far more open [than white households] to a variety of racial mixes.”); Maria Krysan & Reynolds Farley, *The Residential Preferences of Blacks: Do They Explain Persistent Segregation?*, 80 SOC. FORCES 937, 960 (2002) (“There is no mistaking the pattern [shown by preference survey data]. Blacks are much more willing to live with white neighbors than whites are willing to live with African Americans. And African Americans, in great numbers, are willing to live in a neighborhood where they are one of a handful of black residents.”). Although the gap between the stated preferences of black and white respondents has been closing in recent years, black respondents remain more open, on average, to integrated neighborhood environments. See MARIA KRYSAN & SARAH PATTON MOBERG, UNIV. OF ILL., INST. OF GOV’T & PUB. AFFAIRS, TRENDS IN RACIAL ATTITUDES (2016), <https://igpa.uillinois.edu/programs/racial-attitudes> [<https://perma.cc/GB2R-AY9L>] (“A question in which blacks were asked if they would oppose living in a neighborhood that was half white shows . . . just 10 percent either somewhat or strongly opposed this in 2014,” compared with nineteen percent of whites who said they “would be opposed to living in a half-black neighborhood”).

¹¹¹ Dawkins, *supra* note 91, at 393; see also CHARLES, *supra* note 33, at 125 (“Blacks, Latinos, and Asians . . . all prefer substantially more racial integration and are more comfortable than whites as numerical minorities. Still, each group’s preference for same-race neighbors exceeds whites’ preferences for integration.”).

¹¹² Bader & Krysan, *supra* note 43, at 277. As Bader and Krysan explain, these findings

The factors that shape minority preferences for predominantly minority neighborhoods also deserve attention. Here, research offers stronger support for explanations rooted in fear of discrimination by white neighbors than ones based on in-group favoritism.¹¹³ As Maria Krysan and her coauthors explain, “you cannot disentangle a preference from the historical and contemporary experiences that African Americans have had with respect to discriminatory actions of whites and institutional biases firmly imbedded in the housing market.”¹¹⁴ Similarly, Sheryll Cashin speaks of “integration exhaustion” experienced by blacks, who would rather avoid facing potential discrimination or hostility in a mostly white neighborhood.¹¹⁵ To the extent that preferences are inferred from observed patterns of residential choice by African American households, it also becomes important to recognize the severe constraints that often accompany home searches.¹¹⁶ One of the most important constraints may well be existing segregated patterns that typically limit blacks to “one of two choices: an almost all-black neighborhood or one where blacks are few.”¹¹⁷

“undermine the idea that black self-segregation is responsible for metropolitan patterns of segregation.” *Id.* To be sure, even mild preferences for same-race neighbors can generate powerful segregative dynamics. *See, e.g.*, SCHELLING, *supra* note 5, at 147-66; Mark Fossett, *Ethnic Preferences, Social Distance Dynamics, and Residential Segregation: Theoretical Explorations Using Simulation Analysis*, 30 J. MATHEMATICAL SOC. 185, 201 (2006) (observing that even weak preferences for same-race neighbors will be segregative when held by numeric minorities, if they exceed the group’s representation in the population). But relatively weak preferences that are also significantly endogenous to discrimination and existing choice sets are less likely to present binding constraints on greater integration.

¹¹³ *See* Krysan & Farley, *supra* note 110, at 965 (“[B]oth the qualitative and quantitative assessments of unwillingness to move into an all-white neighborhood point to the important role of African Americans’ perceptions of whites’ hostility and discrimination: African Americans who thought whites to be discriminatory were less willing to pioneer and when directly asked why they would not move into such a neighborhood, the majority gave reasons associated with hostility and discrimination.”); *see also* CHARLES, *supra* note 33, at 98 (“[A]reas that are overwhelmingly white, or at least largely devoid of coethnics, are often perceived by nonwhites as hostile and unwelcoming.”). By contrast, “[t]he preferences of whites appear to be more directly shaped by active racial prejudice . . . than by fears of out-group hostility or neutral ethnocentrism.” CHARLES, *supra*, at 98.

¹¹⁴ Krysan, Crowder & Bader, *supra* note 39, at 40.

¹¹⁵ *See* SHERYLL CASHIN, *THE FAILURES OF INTEGRATION* 9, 17-32 (2004).

¹¹⁶ *See* Stefanie DeLuca, *What Is the Role of Housing Policy? Considering Choice and Social Science Evidence*, 34 J. URB. AFF. 21, 25-26 (2012) (urging attention to the processes of preference formation and the constraints under which preferences are formed); Krysan, Crowder & Bader, *supra* note 39, at 47-52 (citing research on the often time-pressured and involuntary moves undertaken by low-income African American households, and other economic limitations that “call[] into question the very relevance of the idea of choice and preferences”).

¹¹⁷ CASHIN, *supra* note 115, at 17; *see also* Jacob L. Vigdor, *Residential Segregation and Preference Misalignment*, 54 J. URB. ECON. 587, 589 (2003) (“The indices reveal that the nationwide proportion of Black households living in overwhelmingly Black neighborhoods

Nonetheless, black preferences are obviously heterogeneous and include some affirmative preferences for predominantly black neighborhoods.¹¹⁸ And there is at least anecdotal evidence of African American communities seeking to maintain an area's racial composition against in-movers.¹¹⁹ Yet even these reactions may be understood not as a response to integration as such, but rather to a societal pattern in which segregated minority neighborhoods are shunned by whites unless and until there is evidence that the area is going to be transformed into a wealthier and predominantly white area. Preferences formed in the shadow of entrenched segregation and dichotomous white responses—complete avoidance or outright takeover—are unlikely to be reflective of preferences that might hold under different conditions. Disrupting the search dynamics that contribute to segregation and resegregation could make integration both more stable and more attractive.

C. *The Search Gap*

The discussion above establishes that discriminatory search perpetuates segregation and constrains housing choices for many households. Leaving it unaddressed produces what I term here “the search gap”—the distance that discriminatory search patterns interpose between meaningful fair housing opportunities and the antidiscrimination duties that the law is understood to impose.¹²⁰ The search gap is one component of a larger disconnect between rights and duties that plays an underappreciated role in conflicts over antidiscrimination law. In Hohfeld's famous schema, rights and duties are “jural correlatives”: if one party holds a right, some other party (or parties) must hold the corresponding duty.¹²¹ Conceptually, there can be no gap between rights and duties; they must match up as a matter of logic.

vastly exceeds the proportion of Black survey respondents stating a preference for such neighborhoods. The indices also reveal, however, that the nationwide proportion of Black households with *few or no* Black neighbors exceeds the proportion stating a preference for such neighborhoods.”).

¹¹⁸ See CASHIN, *supra* note 115, at 17-32 (discussing the range of attitudes blacks hold with respect to racial composition); Vigdor, *supra* note 117, at 588, 602 (estimating, based on data from the Multi-City Study of Urban Inequality that elicits preferences about “ideal” neighborhood composition, that “[r]oughly 3% of the Black population in each metropolitan area would live on a block where more than 14 out of 15 residents (or 96.7%) were Black”).

¹¹⁹ See Ginia Bellafante, *In Bed-Stuy Housing Market, Profit and Preservation Battle*, N.Y. TIMES (June 19, 2015), <http://www.nytimes.com/2015/06/21/nyregion/in-bed-stuy-housing-market-profit-and-preservation-battle.html> [<http://perma.cc/TCW9-KWE7>].

¹²⁰ Biased search is not the only source of a gap between rights and duties in the fair housing arena, nor is it the only factor contributing to the persistence of segregation. See, e.g., Seicshnaydre, *supra* note 3, at 980-81. But it is an important contributor to segregation that might be reached more effectively than it is presently. See *id.* at 972 (observing that, by focusing only on the interactions between minority homeseekers and housing access providers, “[t]he law reaches only two parties in a three-party tango”).

¹²¹ HOHFELD, *supra* note 13, at 36.

Nonetheless, it is possible to hold inconsistent ideas about the respective reach of rights and duties, as I suggest antidiscrimination law often does.

Civil rights flow from a proposition about the moral irrelevance of protected status, and seek to ensure that people's lives will be not arbitrarily constrained in certain important realms (such as employment, public accommodations, and housing) because of that status.¹²² Like property rights, antidiscrimination rights are "multital" in character—corresponding not to a duty held by a single party but rather to a set of duties held by many parties.¹²³ Unlike a property right, however, antidiscrimination law does not impose duties universally on the rest of the world with the functional equivalent of a "keep out" sign.¹²⁴ The law focuses instead on eliminating particular discriminatory acts committed by a limited slate of identifiable actors whose conduct is both reachable and deemed to be the proper business of law.¹²⁵

As a result, the law does not reach the full universe of discriminatory acts that reduce housing opportunities based on protected status. There is some discriminatory conduct that we cannot reach, and some discriminatory conduct that we seem unwilling to reach. For example, we cannot reach discriminatory conduct that occurred long in the past or that is too subtle or diffuse to pin on particular actors. Conduct that society is presently unwilling to reach can be found, for example, in various exceptions to antidiscrimination law.¹²⁶ Discriminatory homeseeker conduct spans the "can't reach" and "won't reach" categories. Some of this conduct might be impossible to prove, but there is also

¹²² See Noah D. Zatz, *Disparate Impact and the Unity of Equality Law*, 97 B.U. L. REV. (forthcoming July 2017) (manuscript at 1), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2730845 [https://perma.cc/VP3Z-5YPS] (identifying the goal of employment discrimination law as the elimination or redress of "status causation"—workplace harms caused by one's protected status).

¹²³ The term "multital" is Hohfeld's; it corresponds to in rem (as opposed to in personam) rights. See Wesley Newcomb Hohfeld, *Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 26 YALE L.J. 710, 712 (1917); Thomas W. Merrill & Henry E. Smith, *The Property/Contract Interface*, 101 COLUM. L. REV. 773, 781-82 (2001) (discussing Hohfeld's idea of multital rights, for which he offered the example of land ownership).

¹²⁴ See KHAITAN, *supra* note 8, at 62 ("Unlike typical duties in criminal law or the law of torts, the duties of discrimination law are not borne by everyone. Instead of a universal approach, the law identifies specific types of persons to impose its burdens.").

¹²⁵ In some cases, the discriminatory preferences of one party can be reached by imposing duties on a different party to enforce the correlative right in question. See, e.g., Mark Kelman, *Market Discrimination and Groups*, 53 STAN. L. REV. 833, 848 (2001) (explaining that where customers have biased preferences, "[t]he employee's correlative right [not to be discriminated against] is vindicated . . . not by suing customers, but by forbidding those who hire the people who deal with customers from raising 'customer preferences' as a defense"); *infra* Section III.D (discussing potential liability in cases of assisted search).

¹²⁶ See, e.g., 42 U.S.C. § 3603(b) (2012) (setting out the FHA's single-family homeowner and "Mrs. Murphy" exemptions).

a widespread view that reaching it would be normatively unacceptable even if it were possible.¹²⁷ This suggests that, for many, the most normatively attractive account of duties may not correspond to the most normatively attractive account of rights.

There is more than one way to reconcile this inconsistency. Most obviously, society can focus on distributing enumerated duties based on its preferred normative criteria for imposing liability, and then simply tailor rights to match.¹²⁸ At first this might seem not only correct, but inevitable. All the law can ever do is grant the rights that match up to the liabilities that it imposes. But there is no reason to assume that the analysis should start with duties, and then reverse engineer rights. It might seem more in keeping with the spirit of antidiscrimination law to do the opposite: shape liability in ways that are designed to make race irrelevant to housing opportunities. Thus, we might begin with the premise that every household has the right to a set of housing options that is not materially constricted by race, and then set about distributing duties throughout society in a manner calculated to achieve this result. If the slate of duty holders cannot be broadened to capture all discriminatory conduct, then heavier burdens must be placed on other actors.

Of course, the relevant statutory scheme will determine which of these approaches, or what combination of them, can be carried out under existing law—a point I will come to later. My point at this stage is purely conceptual. If the law cannot or will not impose nondiscrimination duties on homeseekers, the costs associated with their discriminatory choices must fall elsewhere—whether on the members of protected groups who are disadvantaged by biased search, on parties who are in a position to influence or channel homeseeker choices, or somewhere else. Significantly, then, the parties potentially burdened by unaddressed bias in homeseeking include not only those directly disadvantaged, but also third parties who may be required by the law to help take up the slack. It thus becomes important to parse the conventional

¹²⁷ See, e.g., ANDERSON, *supra* note 36, at 175 (defining an “informal realm” that includes “people’s choices of friends, acquaintances, associates, and neighbors,” and stating that “antidiscrimination laws should not cover such informal discrimination”); ELLEN, *supra* note 6, at 169 (“[F]or obvious reasons, policies that restrict people’s freedom to live where they want should be avoided.”); KHAITAN, *supra* note 8, at 195-213 (examining reasons for the law’s imposition of duties on certain parties and not others, and concluding that “[t]he puzzling distribution of the antidiscrimination duty makes sense, after all”); Seicshnaydre, *supra* note 3, at 1000 (contending that attaching liability to whites’ segregative housing choices would be “untenable for a variety of reasons”).

¹²⁸ For example, focusing on certain actors who intentionally discriminate corresponds to what Alan Freeman has called “the perpetrator perspective.” Alan David Freeman, *Legitimizing Racial Discrimination Through Antidiscrimination Law: A Critical Review of Supreme Court Doctrine*, 62 MINN. L. REV. 1049, 1052-57 (1978); see also Zatz, *supra* note 122 (manuscript at 6-7, 31-37) (describing how this perspective operates within the employment discrimination context).

assumption that homeseeker discrimination is normatively unreachable. The next Part takes up that task.

II. THE AUTONOMY OBJECTION

The second principal rationale for exempting biased homeseeking, apart from its alleged harmlessness, is that attempting to address it would represent too serious an intrusion on normative values like decisional autonomy, privacy, and intimate association, which I will refer to collectively here as autonomy. It might seem that nothing is more central to the identity of a family than choosing where to live. The idea that the process of selecting a home could be anyone else's business may seem intuitively repugnant. But this assumption requires investigation. After all, it was once mainstream to view ownership as conferring an unqualified right to refuse a transfer, as well as the right to control who would move in nearby.¹²⁹ Section A probes the basis for shielding search that is, by hypothesis, socially harmful. Section B then develops an account of the duties that might appropriately be placed on homeseekers, drawing on an approach that can already be seen in fair housing law.

A. *Why Shield Search?*

The idea that considerations of autonomy or “negative liberty” render homeseeking unreachable can be broken down into several possible claims. One claim might be that actors who make choices in certain capacities, such as “tenant,” simply act in too private a role for the state's coercive power to reach. Thus, Tarunabh Khaitan observes that “duty-bearers” in antidiscrimination law “tend to gravitate towards the public end of the public-private spectrum,” where a party's claim to negative liberty is attenuated by the public nature of the capacity in which she acts.¹³⁰ Extended broadly to the homeseeking context, the claim might be that selecting the neighbors one will

¹²⁹ See ROSE HELPER, RACIAL POLICIES AND PRACTICES OF REAL ESTATE BROKERS 123-24 (1969) (reporting results of a study of white real estate brokers in which significant numbers of respondents “hold the premise that people have the right to choose their neighbors and their neighborhood and that it is wrong to force people to live with neighbors they do not want”); Wendell E. Pritchett, *Where Shall We Live? Class and the Limitations of Fair Housing Law*, 35 URB. LAW. 399, 403 (2003) (observing that the claims of fair housing advocates in the period prior to the enactment of the FHA “contradicted the widely accepted principle that property ownership included the full right of disposal”); see also Bartlett & Gulati, *supra* note 8, at 239-41 (arguing that autonomy interests must be weighed against other competing interests, such as nondiscrimination, and observing that there has been evolution over time in how that balance is struck); Whitney, *supra* note 8, at 4 (critiquing those who “invoke ‘autonomy’ in a way that simply deploys [their] underlying presuppositions, instead of making those presuppositions explicit, situating them against reasonable rivals, and defending them”)

¹³⁰ KHAITAN, *supra* note 8, at 207.

live among is a deeply private and personal matter, implicating questions of privacy and association.

Yet antidiscrimination law, as well as the Constitution, plainly withdraws from households the right to choose their neighbors.¹³¹ Providers of housing are legally constrained from delivering on consumer preferences for racially homogeneous residential environments.¹³² It is also unlawful for current residents to keep out would-be arrivals based on race through restrictive covenants,¹³³ threats, violence, or other forms of interference.¹³⁴ Nor can current residents band together and use the instrument of public or private government to restrict who may move in.¹³⁵ Once one recognizes that the law (uncontroversially and appropriately) withdraws the right to control the racial composition of one's neighbors, it becomes difficult to understand how there could be an autonomy right to attempt to do exactly that. And as this analysis makes plain, current antidiscrimination law already imposes certain duties on private households, negating any notion of a blanket free pass for people acting in the capacity of resident.

A different form of the argument might treat the act of *choosing a home* as a special sphere of autonomy into which the law should not intrude.¹³⁶ The home bundles together countless attributes, including surrounding amenities and neighbor characteristics,¹³⁷ all of which may contribute to a homeseeker's evaluation of the place. As a site that will be crucial to the occupants' identity, the home might seem too personal and important a decision to subject to *any*

¹³¹ See, e.g., *Shelley v. Kraemer*, 334 U.S. 1, 20 (1948) (holding that judicial enforcement of racially restrictive covenants violates the Equal Protection Clause of the Fourteenth Amendment); *Bloch v. Frischholz*, 587 F.3d 771, 779 (7th Cir. 2009) (en banc) (observing that if a condo association were to post a sign purporting to ban observant Jews, it "would undoubtedly violate [42 U.S.C.] § 3604(a)"); *Seniors Civil Liberties Ass'n v. Kemp*, 965 F.2d 1030, 1036 (11th Cir. 1992) ("Whatever the penumbral right to privacy found in the Constitution might include, it excludes without question the right to dictate or to challenge whether families with children may move in next door to you.").

¹³² See *infra* notes 239-43 and accompanying text.

¹³³ See, e.g., 42 U.S.C. § 3604(a) (2012).

¹³⁴ See *id.* §§ 3617, 3631.

¹³⁵ See *Buchanan v. Warley*, 245 U.S. 60, 82 (1917) (striking down racially restrictive zoning as a violation of the Fourteenth Amendment); *supra* note 131.

¹³⁶ Such an argument might draw on the law's overall solicitude toward matters involving the home. See generally Stephanie M. Stern, *Residential Protectionism and the Legal Mythology of Home*, 107 MICH. L. REV. 1093 (2009) (discussing and critiquing the ways in which law privileges the home).

¹³⁷ See, e.g., Quillian, *supra* note 87, at 242 ("[P]laces are actually bundles of multiple attributes, which matter simultaneously in how households choose destinations."); Barton A. Smith, *Racial Composition as a Neighborhood Amenity*, in *THE ECONOMICS OF URBAN AMENITIES* 165, 188 (Douglas B. Diamond, Jr. & George S. Tolley eds., 1982) (discussing how "neighbor-oriented amenities" such as the race and income characteristics of a neighborhood's residents factor into home prices).

second-guessing by government agents. And unlike stand-alone acts such as trying to enforce a restrictive covenant against one's neighbor or harassing her based on her race, choosing a home is a complex decision that is opaque to outsiders.¹³⁸

A focus on opacity might seem to suggest the concern boils down to proof problems and the difficulty in disentangling malign from benign motivations. But there is another point here as well: the government's attempt to disentangle motivations may *itself* constitute an autonomy intrusion.¹³⁹ People searching for homes may wish to respond to subjective impressions that would later be difficult to articulate if called to account. Of course, landlords have made similar points as well—that they may wish to respond subjectively to tenants based on difficult-to-pinpoint aspects of their personalities. And just as we worry in the landlord context that those hard-to-pin-down gut feelings about a prospective tenant are simply prejudice,¹⁴⁰ we might justifiably worry that overall subjective impressions about neighborhoods will be infected by racial bias.¹⁴¹

Nonetheless, the burden of requiring a nondiscriminatory explanation for a housing choice decision seems too high. Should a family have to divulge details of its personal habits, sleeping arrangements, procreation plans, work hours, bathing schedules, and so on to a government official to explain why it chose the home on Mulberry Avenue and not the one on Pecan Drive? Aside from the prohibitive administrative costs of such an approach, inquiries of this sort would be unacceptably intrusive.

This does not mean that homeseeker search behavior must be ignored entirely, however. The law can address search processes without controlling anyone's ultimate decision. A high-profile example of this approach is "Ban the Box" legislation that forbids initial employment screening based on past convictions, while still allowing that factor to be considered in ultimate decisionmaking.¹⁴² But unlike Ban the Box, which may counterproductively

¹³⁸ Henry Smith has explored the related idea that property holdings are opaque by design, serving as "information hiding" modules, each of which operates like a "black box" as to outsiders. See Henry E. Smith, *On the Economy of Concepts in Property*, 160 U. PA. L. REV. 2097, 2111-16 (2012).

¹³⁹ Cf. *Lemon v. Kurtzman*, 403 U.S. 602, 620-22 (1971) (finding unconstitutional entanglement between church and state in a program encompassing "the government's post-audit power to inspect and evaluate a church-related school's financial records and to determine which expenditures are religious and which are secular").

¹⁴⁰ See, e.g., *Marable v. H. Walker & Assocs.*, 644 F.2d 390, 394-96 (5th Cir. Unit B May 1981) (finding that the district court "failed to consider whether defendants' rejection of [plaintiff's] application for tenancy was a pretext for racial discrimination" where the cited reasons included refuted factual assertions and the claim that the plaintiff "got a little smart" during one phone call).

¹⁴¹ See *supra* notes 53, 59 and accompanying text (citing studies showing the effect of racial biases on neighborhood evaluations).

¹⁴² See JOSEPH FISHKIN, *BOTTLENECKS: A NEW THEORY OF EQUAL OPPORTUNITY* 231-35

increase statistical discrimination,¹⁴³ restrictions in the homeseeking arena could directly target race-based search heuristics. As I will suggest below, we already have a version of this approach within the FHA itself: the incomplete exemption for Mrs. Murphy landlords.¹⁴⁴

B. *Chance Encounters and Categorical Exclusion*

For the reasons discussed above, directly policing the ultimate housing decisions of homeseekers is neither workable nor normatively attractive. But this does not mean that the homeseeker's *decision structure* is unreachable. That structure might be modified to do two things: first, raise the costs of homeseeker discrimination (relative to making less biased decisions); and second, create environments in which learning—and associated disruptions to existing assumptions and patterns—might take place. Regulating aspects of the search environment without directly regulating the ultimate decisions that

(2014) (discussing approaches that limit categorical exclusion through application questions or advertising but preserve ultimate decisionmaking authority); Andrew Elmore, *Civil Disabilities in an Era of Diminishing Privacy: A Disability Approach for the Use of Criminal Records in Hiring*, 64 DEPAUL L. REV. 991, 1008-29 (2015); Kimani Paul-Emile, *Beyond Title VII: Rethinking Race, Ex-Offender Status, and Employment Discrimination in the Information Age*, 100 VA. L. REV. 893, 936-39 (2014). HUD has recently issued guidance on the use of criminal history in decisionmaking by housing providers and housing transaction providers that similarly distinguishes between categorical exclusion and individualized determinations. HELEN R. KANOVSKY, U.S. DEP'T OF HOUS. & URBAN DEV., OFFICE OF GENERAL COUNSEL GUIDANCE ON APPLICATION OF FAIR HOUSING ACT STANDARDS TO THE USE OF CRIMINAL RECORDS BY PROVIDERS OF HOUSING AND REAL ESTATE-RELATED TRANSACTIONS 7 (2016), https://portal.hud.gov/hudportal/documents/huddoc?id=hud_ogcguidappfhandcr.pdf [<https://perma.cc/6V3A-PGYZ>].

¹⁴³ See Amanda Agan & Sonja Starr, *Ban the Box, Criminal Records, and Statistical Discrimination: A Field Experiment* (Univ. of Mich. Law Sch. Law & Econ. Research Paper Series, Paper No. 16-012, 2016), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2795795 [<https://perma.cc/84RL-7T4V>]; Jennifer L. Doleac & Benjamin Hansen, *Does "Ban the Box" Help or Hurt Low-Skilled Workers? Statistical Discrimination and Employment Outcomes when Criminal Histories Are Hidden* (Nat'l Bureau of Econ. Research, Working Paper No. 22469, 2016), <http://www.nber.org/papers/w22469> [<https://perma.cc/MRU3-CZAP>]; see also LIOR JACOB STRAHILEVITZ, INFORMATION AND EXCLUSION 142-46 (2011); Strahilevitz, *supra* note 28, at 364-75.

¹⁴⁴ See 42 U.S.C. § 3603(b) (2012) (exempting from certain provisions of the FHA "rooms or units in dwellings containing living quarters occupied or intended to be occupied by no more than four families living independently of each other, if the owner actually maintains and occupies one of such living quarters as his residence," *id.* § 3603(b)(2), but leaving qualifying units subject to prohibitions on discriminatory advertisements and statements); *infra* Section II.B.1 (analyzing this incomplete exemption). A parallel exemption for single-family homeowners who meet certain criteria follows the same pattern and can be analyzed in the same way. See 42 U.S.C. § 3603(b)(1).

homeseekers reach can be understood as a form of “choice architecture” or “nudge”¹⁴⁵ that is designed to limit resort to categorical exclusion based on racial criteria.¹⁴⁶

Although it long predates the term “choice architecture,” the structure of the Mrs. Murphy exemption to the FHA can be viewed in just such terms, as I explain below. A similar combination of decisional autonomy and structured choice might be employed to address the tension between intimate association rights and the public interest in nondiscrimination in the roommate context, where housing provision and homeseeking often blur together. Here, I offer a novel alternative to the approach the Court of Appeals for the Ninth Circuit took in *Fair Housing Council of San Fernando Valley v. Roommate.com, LLC*.¹⁴⁷ Finally, I outline how the same conceptual approach could be applied to the homeseeking context more generally.

1. Nudging Mrs. Murphy

The FHA contains a number of limited exceptions, but none is more interesting and perplexing than the Mrs. Murphy exemption, which exempts from certain prohibitions “rooms or units in dwellings containing living quarters occupied or intended to be occupied by no more than four families living independently of each other, if the owner actually maintains and occupies one of such living quarters as his residence.”¹⁴⁸ The exemption’s popular name comes from the politicized specter of an elderly widow who must take in boarders to meet expenses.¹⁴⁹ The arguments for exempting such landlords seem to track the two raised above: Mrs. Murphy plausibly has a greater interest in negative freedom surrounding rentals than do her commercial landlord counterparts, and landlords of this type might be thought

¹⁴⁵ See RICHARD H. THALER & CASS R. SUNSTEIN, *NUDGE* 3-4 (2008) (describing “choice architecture” and explaining how it might “nudge” behavior); Ingrid Gould Ellen, *Supporting Integrative Choices*, *POVERTY & RACE*, Sept./Oct. 2008, at 3, 4, 10 (invoking Thaler and Sunstein’s notion of the “nudge” in urging thought about how choice architecture around residential location decisions might be revised to promote more racial integration).

¹⁴⁶ Cf. Emens, *supra* note 8, at 1311 (arguing that even though intimate discrimination should not itself be actionable, “law should take account of its role in intimate discrimination at a structural level”); *id.* at 1366-73 (examining law’s structural role in intimate discrimination).

¹⁴⁷ 666 F.3d 1216 (9th Cir. 2012).

¹⁴⁸ 42 U.S.C. § 3603(b)(2). A similarly structured provision exempts owners of single-family residences who meet certain criteria from FHA liability for discriminatory choices in selling or renting the home. *Id.* § 3603(b)(1). Although I will focus on the Mrs. Murphy exception, the same analysis applies to the single-family homeowner exception, which likewise leaves otherwise exempt actors exposed to liability for their ads or statements.

¹⁴⁹ For more on the history of the Mrs. Murphy exception and its roots in debates over public accommodations law, see Rigel C. Oliveri, *Discriminatory Housing Advertisements On-Line: Lessons from Craigslist*, 43 *IND. L. REV.* 1125, 1135-38 (2010).

to represent such a small share of the rental market as to pose little real threat to housing access.¹⁵⁰

Section 3603(b)(2) of the FHA exempts a Mrs. Murphy landlord from § 3604's antidiscrimination provisions,¹⁵¹ but it does so with an important exception: Section 3604(c)'s prohibition on biased advertisements, notices, and statements remains in force, even for Mrs. Murphy.¹⁵² This combination of exemption and exception generates seemingly anomalous results. Mrs. Murphy can discriminate without fearing liability under the FHA as long as she does not tell the rejected tenant why she is rejecting him,¹⁵³ but she can be liable if she is honest. Moreover, because Mrs. Murphy cannot use advertising to screen out tenants to whom she will not rent, she and the would-be tenants alike must bear higher search costs.¹⁵⁴ These anomalies also present a potential constitutional issue: regulating advertising and statements beyond the scope of underlying illegality could raise First Amendment concerns.¹⁵⁵

¹⁵⁰ When the FHA was enacted in 1968, Senator Walter Mondale estimated that the housing units qualifying for the exemption were and would remain "a very small fraction of the total housing supply"—at the time, approximately three percent. 114 CONG. REC. 2495, 3424 (1968) (statement of Sen. Mondale). Data limits make it unclear what percentage of the rental housing stock currently falls under the exemption. See James D. Walsh, Note, *Reaching Mrs. Murphy: A Call for the Repeal of the Mrs. Murphy Exemption to the Fair Housing Act*, 34 HARV. C.R.-C.L. L. REV. 605, 606 n.6 (1999). As of 2013, 19.04% of rental housing stock was in two to four unit buildings. See JOINT CTR. FOR HOUS. STUDIES OF HARVARD UNIV., AMERICA'S RENTAL HOUSING: EXPANDING OPTIONS FOR DIVERSE AND GROWING DEMAND 39 tbl.A-2 (2015), http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/americas_rental_housing_2015_web.pdf [<https://perma.cc/3LP2-R6LT>] (providing data from which this figure was calculated). Although most of the rental properties containing these units are owned by individuals or trusts, see *id.* at 15 (reporting that eighty-seven percent of two to four unit buildings are owned by individuals or trusts), it is unclear how many of these units are in buildings in which the owner also resides.

¹⁵¹ 42 U.S.C. § 3603(b)(2).

¹⁵² See *id.* § 3603(b) (excluding § 3604(c) from the exemption). Section 3604(c) makes it unlawful

[t]o make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

Id. § 3604(c).

¹⁵³ If her discrimination is based on race or on classifications that would have counted as racial in 1866, however, she would still face liability under 42 U.S.C. § 1982. See *Shaare Tefila Congregation v. Cobb*, 481 U.S. 615, 617-18 (1987).

¹⁵⁴ See Oliveri, *supra* note 149, at 1164-65 (noting that this inability to screen "wastes the time and energy of both parties").

¹⁵⁵ The application of § 3604(c) to Mrs. Murphy landlords has been upheld against First Amendment and Due Process challenges. See, e.g., *United States v. Hunter*, 459 F.2d 205,

A variety of explanations have been floated for the FHA's differential treatment of advertisement and act, statement and sentiment.¹⁵⁶ Of particular relevance here is the idea that holding Mrs. Murphy to the standard of unbiased advertising will alter the information environment in which she makes decisions, and, in the process, potentially render those decisions less biased. If she cannot keep away entire categories of people through her advertisements, she will be forced to encounter homeseekers one-on-one, on the phone, online, or in person. Confronting people as individuals may produce a learning effect that causes her to reconsider the stereotypes that she harbors.¹⁵⁷ Even if the encounter is an awkward or uncomfortable one, it may carry some of the generative insulation-breaking power that Jerry Frug has associated with chance encounters in public spaces within cities.¹⁵⁸

211-15 (4th Cir. 1972). However, evolution in the commercial speech doctrine raises doubts about the continuing validity of such precedents. *See* STRAHILEVITZ, *supra* note 143, at 97 (questioning whether decisions upholding advertising bans in Mrs. Murphy situations remain good law, given changes in the Supreme Court's commercial speech doctrine); *see also* Chi. Lawyers' Comm. for Civil Rights Under Law, Inc. v. Craigslist, Inc., 519 F.3d 666, 668 (7th Cir. 2008) (observing in dicta, after noting that § 3603(b)(1)'s exemption for single-family homes permits liability for advertising, that "any rule that forbids truthful advertising of a transaction that would be substantively lawful encounters serious problems under the first amendment"). It should be noted, however, that the gap between the scope of § 3604(c)'s prohibitions and the unlawfulness of the underlying conduct is much smaller than commonly assumed, due to 42 U.S.C. § 1982 (which bans racial discrimination in property transactions, without exception) and state and local laws that are more restrictive than the FHA. *See* Robert G. Schwemm, *Discriminatory Housing Statements and § 3604(c): A New Look at the Fair Housing Act's Most Intriguing Provision*, 29 FORDHAM URB. L.J. 187, 293-94 (2001) (making these points and concluding that, "[a]s a result, the modern 'commercial speech' doctrine, though generous in its protection of legal and non-misleading messages, continues to provide a safe haven for § 3604(c) in all but the narrowest of circumstances").

¹⁵⁶ *See, e.g.*, STRAHILEVITZ, *supra* note 143, at 96-97 (discussing circuit court decisions that focused on the potential spillovers of Mrs. Murphy advertisements in deterring nonwhites from searching in a given area of the city or creating misimpressions about antidiscrimination law); Schwemm, *supra* note 155, at 223 n.162 (citing legislative history focusing on the damaging effects of the speech itself).

¹⁵⁷ *Cf.* EDUARDO MOISÉS PEÑALVER & SONIA K. KATYAL, PROPERTY OUTLAWS 67-70 (2010) (explaining how civil rights sit-ins changed attitudes).

¹⁵⁸ *See* Jerry Frug, *The Geography of Community*, 48 STAN. L. REV. 1047, 1050 (1996) ("[B]ig cities are a prime location in America for the experience of otherness: They put people in contact, whether they like it or not, with men and women who have values, opinions, or desires that they find unfamiliar, strange, even offensive."); *see also* Dawkins, *supra* note 91, at 389 (describing "the contact hypothesis, which states that interracial prejudices decline as groups gain familiarity with each other and come into contact with each other more often in social situations" (citing GORDON W. ALLPORT, THE NATURE OF PREJUDICE (1954))).

Thus, the FHA will not second-guess the choices that Mrs. Murphy ultimately makes among potential tenants, but it will not allow her to screen people out categorically based on their group status. Nor will the FHA allow her to turn them away with an overt statement about that status; she need not be particularly polite, but she must find a way to interact with them without mentioning their group status as a reason for her refusal to deal. The FHA thus mandates that she make any discriminatory choices on a retail rather than wholesale basis, within a facially neutral search process.

To be sure, there are unanswered empirical questions about how well this setup works to change behavior, as well as normative questions about any system that raises search costs—often quite asymmetrically—for homeseekers as well as for Mrs. Murphy landlords.¹⁵⁹ My aim here is not to take a position on the qualified Mrs. Murphy exception, but rather to point out how it works to structure the search environment while at the same time recognizing a realm of decisional freedom. As I will show, a similar approach could be extended to homeseeking, an arena where heightened search costs would largely be borne by the discriminator.

2. Reining in Roommates

One of the most interesting recent questions in fair housing law surrounds whether and how the prohibitions on discriminatory housing choice apply to roommates who are sharing a residence. This issue reads on questions of housing search both by analogy and in the following more direct sense: roommate matching is often undertaken reciprocally in ways that blur traditional lines between housing providers and housing consumers.

In *Roommate.com*, the Ninth Circuit held that shared living situations lie entirely outside of the purview of the FHA, based on its reading of the word “dwelling.”¹⁶⁰ The court’s interpretation drew heavily on what it took to be the assumptions of Congress at the time of the FHA’s enactment, as well as on the canon of constitutional avoidance—triggered in this case by concerns about the intimate association rights implicated in roommate choices.¹⁶¹ Throughout the lively majority opinion, Chief Judge Kozinski recounted myriad ways in which roommates might find themselves incompatible or just uncomfortable with roommates of a different sex or religion, from the fear of being seen in a towel while in transit from the shower,¹⁶² to discovering foods in the refrigerator that violate one’s religious restrictions.¹⁶³

¹⁵⁹ Mrs. Murphy can turn away a prospective tenant after a single glance, whereas that would-be tenant may have invested considerable time and money to come view the apartment.

¹⁶⁰ *Fair Hous. Council of San Fernando Valley v. Roommate.com, LLC*, 666 F.3d 1216, 1219-22 (9th Cir. 2012).

¹⁶¹ *See id.*

¹⁶² *Id.* at 1221 (“[A] girl may not want to walk around in her towel in front of a boy.”).

¹⁶³ *Id.* (“An orthodox Jew may want a roommate with similar beliefs and dietary

Significantly, the court's approach read shared living situations out of the FHA entirely—a result that not only keeps people from being forced into housing relationships that offend their beliefs or their modesty, but that also legalizes facially discriminatory roommate ads, such as for “whites only” group houses.¹⁶⁴ There is another way of interpreting the statutory text in the roommate context, however—one that would address the court's concerns about intimate association without resorting to a strained reading of “dwelling” that places roommates entirely outside the law.¹⁶⁵ It is animated by the same general principle discussed in the Mrs. Murphy context: preserving a sphere of decisional autonomy while structuring the search environment to permit the learning that can come from chance encounters with individual people.¹⁶⁶

Textually, this alternative would read the prohibitions in § 3604 to extend a conclusive presumption that individual roommate selections are not “because of” protected status if they are made in accordance with required search protocols.¹⁶⁷ These search protocols would incorporate the bans on statements and advertisements in § 3604(c), potentially modified to fit the roommate context. For example, roommate ads for residents of the same sex or for co-religionists might be justified on the grounds that there are valid, nondiscriminatory reasons (modesty or religious observance) for *categorically* limiting one's search along these dimensions.¹⁶⁸ But with respect to protected

restrictions, so he won't have to worry about finding honey-baked ham in the refrigerator next to the potato latkes.”).

¹⁶⁴ I thank Eduardo Peñalver and Michael Schill for discussions on this point and on other aspects of the *Roommate.com* decision.

¹⁶⁵ The FHA defines “dwelling” as “any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof.” 42 U.S.C. § 3602(b) (2012) (emphasis added). For a critique of the Ninth Circuit's failure in *Roommate.com* to distinguish among different kinds of shared living arrangements based on structural features and capacity to achieve privacy (e.g., through locks on doors and separate bedrooms), see Tim Iglesias, *Does Fair Housing Law Apply to “Shared Living Situations”? Or the Trouble with Roommates*, 22 J. AFFORDABLE HOUSING & COMMUNITY DEV. L. 111, 124-26 (2014).

¹⁶⁶ See Oliveri, *supra* note 149, at 1170 & n.233 (discussing this point, which she attributes to Eduardo Peñalver).

¹⁶⁷ For a different proposed alternative, see Iglesias, *supra* note 165, at 144-46, which argues for varying treatment of roommate advertising depending on where and how the advertising occurred.

¹⁶⁸ An analogy might be drawn to Title VII's “bona fide occupational qualification” defense, which allows employers to select employees based on religion, sex, or national origin (but not race) where doing so is “reasonably necessary to the normal operation of that particular business or enterprise.” 42 U.S.C. § 2000e-2(e)(1) (2012). Such a selectively categorical approach may be implicit in HUD's longstanding recognition of an exception to § 3604(c) for sex, but not other protected statuses, when the advertising is for shared living arrangements. See Memorandum from Roberta Achtenberg, Assistant Sec'y for Fair Hous. & Equal Opportunity, U.S. Dep't of Hous. & Urban Dev., to Fair Hous. & Equal

characteristics for which no plausible *categorical* intimate association interest for roommates exists, such as race,¹⁶⁹ the ban on discriminatory ads would remain in force. This approach would push roommates to select or reject each other as individuals rather than categorically based on group status alone—while at the same time protecting their ultimate selections from scrutiny.¹⁷⁰

3. The Homeseeker's Search

In both of the situations above, suppressing discriminatory signals could hold value even if there were no effort to regulate bias in ultimate housing decisions. The value stems from two sources. First, restricting discriminatory signals raises the cost of exclusion by requiring would-be discriminators to deal directly with individuals rather than categorically screening them out. Second, bringing such parties into direct contact with individuals possessing protected characteristics may produce a learning effect.

We come now to the question of homeseeker search heuristics. Here too, it would be feasible to harmonize an interest in decisional privacy and autonomy with principles of nondiscrimination by regulating the search environment while applying a conclusive presumption that decisions reached within that search environment are nondiscriminatory in nature. As in the prior examples, search protocols could be adjusted to raise the costs of discrimination, preserve the potential for learning through chance encounters, and prevent people from engaging in categorical exclusions based on group membership. In the next Part, I will consider some ways that such structuring might proceed.

As I will explain, existing law can potentially reach homeseekers who use discriminatory advertising or statements or employ others (including apps and websites) to carry out biased searches. Unlike in the situations above, the

Opportunity Dirs. et al., *Guidance Regarding Advertisements Under § 804(c) of the Fair Housing Act* (Jan. 9, 1995), at 2 (“Intake staff should not accept a complaint against a newspaper for running an advertisement which includes the phrase **female roommate wanted** because the advertisement does not indicate whether the requirements for the shared living exception have been met.”). This exception was previously codified. *See* 24 C.F.R. § 109.20(b)(5) (1988). Part 109 was subsequently withdrawn by HUD, but the withdrawal was accompanied by a statement that the Part contained “nonbinding guidance” that was “very helpful to HUD clients” and that would thenceforth be provided in handbook or other guidance formats rather than in the Code of Federal Regulations. *Regulatory Reinvention; Streamlining of HUD’s Regulations Implementing the Fair Housing Act*, 61 Fed. Reg. 14,378 (Apr. 1, 1996).

¹⁶⁹ *Cf.* *Soules v. U.S. Dep’t of Hous. & Urban Dev.*, 967 F.2d 817, 824 (2d Cir. 1992) (finding that a landlord’s question about children in the household did not necessarily violate the FHA because there could be a valid purpose for asking, but suggesting there would never be a valid reason for asking about race).

¹⁷⁰ *But see* Oliveri, *supra* note 149, at 1170-71 (considering and rejecting an approach that would retain an advertising ban for roommates, in part because it would raise the costs to minority roommate-seekers in locating housemates of the same race, ethnicity, or nationality).

dampening of informational signals in the homeseeking context primarily places costs on the party who is seeking to discriminate—here, the homeseeker. Sellers and landlords may be inconvenienced to some degree by showing homes to homeseekers who have engaged in less comprehensive prescreening based on their own biases, if those biases prove intractable. Nonetheless, those housing providers will also gain the potential capacity to complete some transactions that would not otherwise occur. And, importantly, the homeseeker cannot impose costs on others without imposing equal or larger costs on herself by actually going to look at the places in question.

Before turning to specific doctrinal vehicles for achieving this result, it is important to emphasize a point that this Article's focus on white avoidance has muted: the normative analysis above and the doctrinal points below would apply regardless of the race of the homeseeker pursuing a segregative racial preference. As a result, strategies designed to address white avoidance may run counter to deeply held preferences of some minority households. In assessing this concern, it is important to recognize the mild and contingent nature of many minority preferences for same-race neighbors,¹⁷¹ and the related possibility that lower levels of society-wide segregation would alter the nature of race-based preferences across all groups. Nonetheless, one cannot escape the possibility that altering search protocols could interfere with some minority homeseeking preferences.

Although this possibility does complicate the normative picture,¹⁷² the large and asymmetric harms that residential segregation visits on minority households must also be kept in mind. There is in fact no way to pursue the FHA's goal of integration without making a value judgment against segregationist preferences, even those held by African American households.¹⁷³ This does not mean anyone's ultimate choice about where to

¹⁷¹ See *supra* notes 110-17 and accompanying text.

¹⁷² See, e.g., Seicshnaydre, *supra* note 3, at 1000 (explaining that “seeking to hold white people liable for their own housing choices” would be “untenable for a variety of reasons, not the least of which is that . . . we would also have to hold blacks liable for their own housing choices to the extent that those choices perpetuated segregation”); cf. Oliveri, *supra* note 149, at 1170-71.

¹⁷³ The discussion in the text assumes that symmetrical treatment of race-based homeseeking by whites and blacks would be required. For recent analyses of the symmetry principle in antidiscrimination law, see generally Naomi Schoenbaum, *The Case for Symmetry in Antidiscrimination Law*, 2017 WIS. L. REV. (forthcoming), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2837737 [<https://perma.cc/6AZY-KUP7>]; Bradley A. Areheart, *The Symmetry Principle* (Univ. of Tenn. Legal Studies Research Paper Series, Paper No. 305, 2016), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2837939 [<https://perma.cc/TE7D-V7LL>]. The fact that white avoidance systematically does more societal harm than other forms of self-segregation, however, might supply a neutral reason for setting enforcement priorities. Moreover, certain kinds of symmetrical treatments would interfere substantially less with minority homeseeking preferences than with white homeseeking preferences. See

live will be withdrawn, only that the law is not neutral on the issue of housing patterns. Just as the law already limits what sellers, landlords, and realtors can do to maintain a neighborhood's current racial composition—whatever it may be¹⁷⁴—the law can also take steps to influence and regulate the search environment.

III. ADDRESSING HOMESEEEKING THROUGH LAW

Although the question is rarely analyzed in any depth, it is widely assumed that existing law does not reach discriminatory homeseeking. This Part challenges that assumption. Viable doctrinal avenues—albeit wholly unrecognized ones—already exist for reaching aspects of homeseeking in a manner consistent with the normative considerations and constraints developed in Parts I and II of this Article.

This Part begins by questioning the assumption that housing choices made for racially biased reasons are, as commentators are wont to put it, “perfectly legal.”¹⁷⁵ Although the FHA probably does not make it unlawful for homeseekers to discriminate based on race in their home selection decisions, § 1982 of the Civil Rights Act of 1866 almost certainly does.¹⁷⁶ However, for a number of reasons, § 1982 does not offer an especially useful or attractive stand-alone vehicle for reaching homeseeking. Nonetheless, § 1982 buttresses (and saves from a key criticism) the use of *other* provisions within the FHA, including the prohibition on discriminatory advertisements and statements, to reach certain collateral actions undertaken by homeseekers or by those assisting them in the course of conducting a housing search. As I show, this approach is fully consistent with both the text and purpose of the FHA.

infra note 276 and accompanying text (providing the example of prohibiting search tools that filter neighborhoods based on whether one's own race constitutes a majority or supermajority in that neighborhood). I thank Noah Zatz for this point. Self-segregation on religious grounds implicates additional constitutional interests that I do not delve into in this Article.

¹⁷⁴ For example, existing interpretations of antidiscrimination law would prohibit a homeseller from favoring a black buyer over a white one in an effort to maintain a neighborhood's character—despite the deeply felt sense of neighborhood identity that might prompt such conduct. *See* Bellafante, *supra* note 119 (relating an instance in which such concerns may have factored into a seller's decision). Even if such a seller were exempt under § 3603(b)(1) of the FHA, which would depend on a variety of factors, § 1982's ban on intentional racial discrimination in property transactions would reach the conduct if it were indeed based on race. *See* McDonald v. Santa Fe Trail Transp. Co., 427 U.S. 273, 285-96 (1976) (reading parallel statutory language in 42 U.S.C. § 1981 to reach discrimination against whites).

¹⁷⁵ *See supra* note 3.

¹⁷⁶ *See* 42 U.S.C. § 1982 (2012).

A. *The Househunter's (Legal) Prerogative?*

One can fairly conclude that the “housing refusal” prohibition in § 3604(a) of the FHA¹⁷⁷ does not outlaw a homeseeker’s racially biased housing choice. That provision makes it illegal “[t]o refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race [or another protected status].”¹⁷⁸ Anyone who purchases or rents a home can, in some sense, be said to have made that dwelling unavailable to everyone else.¹⁷⁹ But in the typical case, a biased homeseeker does not make a particular dwelling unavailable to anyone because of race; rather, she makes it unavailable to everyone regardless of race.¹⁸⁰

The cumulative effect of homeseeker choices may indeed be to make dwellings unavailable because of race, whether through price effects or otherwise. Similarly, by participating in biased housing choices that entrench segregation, a homeseeker might be said to have contributed to making a particular *sort* of dwelling—one situated in an integrated neighborhood—unavailable because of race.¹⁸¹ Yet no homeseeker produces such results alone.¹⁸² If the prohibitions on discriminatory decisionmaking in the FHA were

¹⁷⁷ 42 U.S.C. § 3604(a) (2012).

¹⁷⁸ *Id.*

¹⁷⁹ *See* Mich. Prot. & Advocacy Serv., Inc. v. Babin, 18 F.3d 337, 345 (6th Cir. 1994) (“If we are able to purchase a house because we can offer more money, we have in one sense ‘denied’ it to everyone else.”). The *Babin* court went on to firmly reject the idea that denial in this sense amounted to denial within the meaning of the FHA. *See id.*

¹⁸⁰ There have in fact been some cases involving purchases motivated by the desire to deprive protected group members of the opportunity to buy or occupy a dwelling. In *Babin*, the Sixth Circuit held that even a purchase motivated by a desire to keep out members of a protected group presents no cognizable FHA violation, *see id.*, though at least two subsequent federal district court opinions have declined to follow *Babin*’s lead. *See* Step-By-Step, Inc. v. Lazarus, No. Civ. 97-1006, 1997 WL 853508, at *1 (M.D. Pa. Oct. 17, 1997) (finding that the FHA “does apply to a buyer who purchases a property with the intention of preventing the purchase by an entity planning to use the property as a Group Home for members protected under the Act”); *United States v. Hughes*, 849 F. Supp. 685, 686 (D. Neb. 1994) (denying motion to dismiss where a bank financed a purchase allegedly undertaken for the purpose of preventing the property’s purchase for a group home for mentally disabled adults). But situations involving exclusionary motives for purchase are, one would hope, rare outliers.

¹⁸¹ If a dwelling is understood not just as a structure but also as a bundle of attributes that incorporates effects from outside the property boundaries, then segregation effectively withdraws one dwelling type (a home in an integrated neighborhood) from the market and replaces it with a very different one (a home in a segregated neighborhood). *See generally* LEE ANNE FENNELL, *THE UNBOUNDED HOME: PROPERTY VALUES BEYOND PROPERTY LINES* (2009) (examining the implications of a broad conceptualization of the home that encompasses off-parcel amenities and effects).

¹⁸² *Cf.* *Vill. of Bellwood v. Dwivedi*, 895 F.2d 1521, 1531 (7th Cir. 1990) (“[The FHA]

the only ones in play, the conclusion that homeseeking is doctrinally unreachable would be a sensible one.

But there is another path to homeseeker liability: Section 1982 of the Civil Rights Act of 1866. Although often upstaged by the FHA, § 1982 remains a powerful part of the antidiscrimination arsenal. Unlike the FHA, it does not contain any exceptions. It covers both private and governmental discrimination.¹⁸³ And it is squarely directed at racial discrimination.¹⁸⁴ The provision reads in full as follows: “All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property.”¹⁸⁵

What is most notable about § 1982 for present purposes is that the rights it grants run not only to the various means of *obtaining* property (inherit, purchase, lease) but also to means of *disposing* of property (sell, convey). Homeseekers are not just choosing where to live, they are also choosing from whom they will and will not buy or lease. And § 1982 seems to make discriminatory purchase decisions just as actionable as discriminatory sales decisions.¹⁸⁶ It is hard to see how § 1982 would fail to apply, for example, to a buyer who rejects an otherwise acceptable home sale transaction solely because of the race of the seller.

It is not as obvious, however, that § 1982 provides a useful tool for addressing choices to rule out entire areas based on their racial composition. Choosing to buy a home in an all-white neighborhood greatly increases the odds of buying from a white seller, and is thus likely to deprive a seller of a different race of a sales transaction. But this outcome might seem to be merely an incidental by-product of the neighborhood choice.¹⁸⁷ Even a househunter who is using explicitly racial criteria to choose a neighborhood may be perfectly willing to purchase from a seller of a different race; one might imagine that she primarily cares about the race of her would-be neighbors, not the racial identity of her grantor. There are a couple of responses to this point.

does not impose liability . . . for failing to coordinate individual integrative acts that have an aggregate resegregative effect.”).

¹⁸³ *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409, 413 (1968) (“We hold that § 1982 bars all racial discrimination, private as well as public, in the sale or rental of property . . .”).

¹⁸⁴ Section 1982 has also been interpreted to reach classifications that would have been thought of as race-based at the time of its enactment, and hence extends to discrimination based on national origin, ethnicity, and religion. *See, e.g., Shaare Tefila Congregation v. Cobb*, 481 U.S. 615, 617-18 (1987).

¹⁸⁵ 42 U.S.C. § 1982 (2012).

¹⁸⁶ I thank Noah Zatz for discussions on this point.

¹⁸⁷ That § 1982 presumably reaches only intentional discrimination sharpens this point. The Supreme Court has limited the reach of parallel language in § 1981 of the Civil Rights Act of 1866 to intentional discrimination, using reasoning that strongly suggests both provisions would be treated alike. *See Gen. Bldg. Contractors Ass’n v. Pennsylvania*, 458 U.S. 375, 382-91 (1982).

First, there is empirical evidence that the race of the seller or current occupant of a housing unit *does* matter to homeseekers, whether as part of the search heuristic or as an independent basis of discrimination.¹⁸⁸ Analysis of data from 1989 to 1993 uncovered a surprising reluctance of white households to move into housing units that had been vacated by black households—a reluctance that appeared insensitive to numerous other factors about the dwelling unit and the neighborhood in which it was located.¹⁸⁹ Although those data are now dated, the findings suggest that African American owner-occupants may be losing home sales based on their own racial identity, as distinct from the neighborhood’s overall racial trends.¹⁹⁰ More recent work, considered in conjunction with newer data on unit turnover,¹⁹¹ is consistent with this interpretation. Respondents in a 2010 San Francisco Bay Area study who viewed images of the same home rated it less favorably if the sellers were depicted as a black family rather than a similarly configured and attired white family.¹⁹² Also suggestive is a 2014 working paper finding that black landlords offering spaces on Airbnb receive lower rents than nonblack landlords.¹⁹³

¹⁸⁸ See ELLEN, *supra* note 6, at 140 (“To some extent, the race of the previous occupant may be viewed as a clear proxy for the racial composition of the neighborhood. . . . But it is possible that the race of the departing occupant signifies something in itself”); John R. Hipp, *Segregation Through the Lens of Housing Unit Transition: What Roles Do the Prior Residents, the Local Micro-Neighborhood, and the Broader Neighborhood Play?*, 49 DEMOGRAPHY 1285, 1287 (2012) (hypothesizing “that prospective residents use the race/ethnicity of the current residents in the unit as a signal that the neighborhood is appropriate for someone of their own race/ethnicity”).

¹⁸⁹ Specifically, white in-moving rates into black-vacated units appeared unaffected by “the growth in the black population over the previous decade.” ELLEN, *supra* note 6, at 150; see also Hipp, *supra* note 188, at 1289-1304 (using a data set that followed turnover in housing units between 1985 and 1989 and between 1989 and 1993 to break apart the effect of the race of the previous occupant from the racial composition of the immediately surrounding “micro-neighborhood” as well as that of the larger neighborhood, while controlling for numerous other factors). John Hipp’s study found that “the race/ethnicity of the prior residents had a strong effect on the race/ethnicity of the new residents” and that this effect was observed “even when accounting for the racial/ethnic composition of the micro-neighborhood and the broader tract.” *Id.* at 1302.

¹⁹⁰ ELLEN, *supra* note 6, at 150 (describing the findings and concluding that “[t]he key implication is that whites appear unwilling to enter black-vacated units, and few circumstances seem to change their minds”).

¹⁹¹ See Brett Theodos, Claudia J. Coulton & Rob Pitingolo, *Housing Unit Turnover and the Socioeconomic Mix of Low-Income Neighborhoods*, 660 ANNALS AM. ACAD. POL. & SOC. SCI. 117 (2015) (examining unit turnover reflected between three waves of data covering 2002-03, 2005-06, and 2008-09). The primary focus of this work was stickiness in poverty status among successive occupants of the same units, of which the authors found substantial evidence, but they also observed that “poverty status is more apt to change than is race/ethnicity of the occupants.” *Id.* at 125.

¹⁹² Courtney Marie Bonam, *Devaluing Black Space: Black Locations as Targets of Housing and Environmental Discrimination* 34-46, apps. C & D (August 2010)

Second, even if the buyer's discrimination were directed solely at the neighbors of the seller, and not at the seller herself, the seller still loses a sale due to intentional racial discrimination. Where the seller is of the same race as the parties discriminated against, it seems a bit artificial to absolve the buyer of liability on the ground that she only meant to discriminate against the neighbors. The idea of "transferred intent" in tort law provides a useful analogy: a defendant cannot escape liability for the intentional tort of battery by asserting that he meant to batter a different person instead.¹⁹⁴ If African American homesellers are losing sales because white homebuyers are avoiding their neighborhoods based on the race of the residents, those sellers are being deprived of equal chances to transact over property based on their race. This conclusion seems especially compelling where past discrimination makes it very likely that African American homesellers will be selling homes within predominantly African American neighborhoods.

A 1973 Court of Appeals for the Seventh Circuit decision, *Clark v. Universal Builders, Inc.*,¹⁹⁵ embraced an analogously broad reading of § 1982.¹⁹⁶ There, the plaintiffs alleged that the defendants exploited a "dual housing market" by selling homes in African American neighborhoods for higher prices and on less favorable terms than comparable homes in white areas.¹⁹⁷ The defendants contended that they did not violate § 1982 because they did not offer different terms to buyers of different races for the *same* homes.¹⁹⁸ But the Seventh Circuit found it an unrealistic dodge for defendants

(unpublished Ph.D. dissertation, Stanford University), https://stacks.stanford.edu/file/druid:gz102cb9731/Bonam_Dissertation-augmented.pdf [<https://perma.cc/7274-YCHG>]; see also Michelle Wilde Anderson & Victoria C. Plaut, *Property Law: Implicit Bias and the Resilience of Spatial Colorlines*, in *IMPLICIT RACIAL BIAS ACROSS THE LAW* 25, 34-36 (Justin D. Levinson & Robert J. Smith eds., 2012) (discussing this study and other work by Courtney Marie Bonam and her colleagues). Even when prior residents do not directly interact with potential in-movers, they typically have an opportunity to view the housing unit, where "many possible clues might tip them off about the race/ethnicity of the current owners"—including family photos displayed in the home. Hipp, *supra* note 188, at 1288.

¹⁹³ See Benjamin Edelman & Michael Luca, *Digital Discrimination: The Case of Airbnb.com* (Harvard Bus. Sch. Negotiation, Orgs. & Mkts. Unit, Working Paper No. 14-054, 2014), <http://ssrn.com/abstract=2377353> [<https://perma.cc/2FYZ-F7YH>] (finding racial discrimination against Airbnb landlords, with equivalent rentals from a nonblack host commanding twelve percent higher rents on average).

¹⁹⁴ See, e.g., Keel v. Hainline, 331 P.2d 397, 399-400 (Okla. 1958). See generally Kerri Lynn Stone, Ricci *Glitch? The Unexpected Appearance of Transferred Intent in Title VII*, 55 LOY. L. REV. 751 (2009) (discussing the possible application of a transferred intent theory to Title VII and noting some potential parallels in FHA jurisprudence).

¹⁹⁵ 501 F.2d 324 (7th Cir. 1973) (*Clark I*).

¹⁹⁶ *Id.* at 328-34.

¹⁹⁷ *Id.* at 327, 334.

¹⁹⁸ *Id.* at 329-31.

to assert “that they would have sold on the same terms to those whites who elected to enter the black market and to purchase housing in the ghetto and segregated inner-city neighborhoods at exorbitant prices, far in excess of prices for comparable homes in the white market.”¹⁹⁹ Similar skepticism might attach to a househunter’s assertion that she would be perfectly willing to purchase from any black homeseller that she happened to encounter within an otherwise all-white neighborhood.

Many hurdles to employing this approach remain, however. If African American sellers are avoided en masse through neighborhood choice rather than one at a time, there may be no identifiable victim of discrimination. Even if this obstacle can be surmounted through organizational standing or standing premised on the injuries of segregation, pinpointing the behavior that caused these injuries remains problematic.²⁰⁰ Data may establish that white buyers are failing to buy from black sellers at rates that are higher than can be explained through other factors, but there may be no way to determine which specific transactions featured discrimination.²⁰¹

Nonetheless, the discussion above suggests that § 1982 would be available in instances where proof of discriminatory intent is available—for example, where a homeseeker is found to have rejected a prospective seller or landlord

¹⁹⁹ *Id.* at 331. On appeal after remand, the Seventh Circuit upheld a judgment for the defendant based, *inter alia*, on the district court’s findings that the homes in question (located, respectively, in suburban Deerfield, Illinois, and on Chicago’s South Side) were not in fact comparable and that plaintiffs had failed to explain how defendants could have charged excessive prices in a market that appeared to be a competitive one. *Clark v. Universal Builders, Inc. (Clark II)*, 706 F.2d 204, 208-12 (7th Cir. 1983). Nonetheless, *Clark I*’s insistence on taking a realistic view of the ways in which discrimination has shaped the landscape that actors encounter, when coupled with § 1982’s embrace of both sides of property transactions, could provide a potential doctrinal hook for reaching discriminatory homeseeking. *Cf. Green v. Cty. Sch. Bd.*, 391 U.S. 430, 437 (1968) (“In the context of the state-imposed segregated pattern of long standing, the fact that in 1965 the Board opened the doors of the former ‘white’ school to Negro children and of the ‘Negro’ school to white children merely begins, not ends, our inquiry whether the Board has taken steps adequate to abolish its dual, segregated system.”).

²⁰⁰ Organizational standing is permitted in FHA cases, but lower courts are divided on whether it is available in § 1982 cases. *See* ROBERT G. SCHWEMM, *HOUSING DISCRIMINATION: LAW AND LITIGATION* § 27:17 (2016). Questions concerning standing in the FHA context, including the issue of causation, are currently pending review before the Supreme Court. *See City of Miami v. Wells Fargo & Co.*, 801 F.3d 1258 (11th Cir. 2015) and *City of Miami v. Bank of Am. Corp.*, 800 F.3d 1262 (11th Cir. 2015), *cert. granted and cases consolidated*, 136 S. Ct. 2544 (2016) and 136 S. Ct. 2545 (2016).

²⁰¹ Disparate impact analysis is often capable of reaching practices that statistically cause status-related harm, even when it is impossible to identify the particular cases in which status produced the result. *See generally* Zatz, *supra* note 122. But this approach only works when there is some party producing aggregate results through a practice or policy, not when many individuals are separately making their own decisions, only some of which involve discrimination.

based on race. Evidence of such discriminatory intent might be found in some of the same places that one might look for violations of the FHA: in advertising, statements, and interactions with realtors.²⁰²

B. *Reaching Collateral Search Conduct*

The discussion above suggests that the FHA contains no clear way to reach the actual decisions of biased homeseekers as a conceptual matter, while § 1982 offers a conceptual path that may be largely unavailable for practical or evidentiary reasons. But might the two be combined in some manner? One possibility has already been mentioned: that certain collateral acts regulated by the FHA—advertising, statements, and assisted search—could constitute *evidence* of a homeseeker’s § 1982 violation. But the fact that § 1982 reaches biased homeseeking can also be used to buttress direct liability for collateral search behavior under the FHA itself.

As I explain below, the FHA can be fairly read to reach certain forms of collateral search conduct. To be sure, the law has not previously been read in this way;²⁰³ indeed, HUD has made some contrary interpretative moves.²⁰⁴ But those interpretations, I posit, were likely driven by constitutional or conceptual concerns with reading the FHA to reach collateral conduct relating to *legal* underlying acts.²⁰⁵ They may also have been supported by an assumption that the biased decisions of buyers and tenants can have no real effect on fair housing. Both the practical effect of biased homeseeking behavior and the legal status of the underlying conduct must be rethought in light of the analysis above.²⁰⁶ There is no doctrinal impediment to reaching collateral or assistive acts that abet discrimination that is both illegal and harmful.

Homeseekers are typically viewed as outside the FHA’s ambit because they are not thought to be erecting or policing any barriers to housing access; they are merely trying to navigate them. Yet the “barriers” metaphor misleadingly treats the set of housing opportunities as exogenously given, as if we need only make actors step out of the way or remove race-based filters from their doorsteps. Where the housing choice set is constrained by discriminatory homeseeking heuristics, those heuristics become barriers that are no less real than those erected by housing providers. Achieving the integrative purpose of

²⁰² Cf. Schwemm, *supra* note 155, at 251-55 (discussing the evidentiary use of discriminatory statements in establishing violations of other sections of the FHA).

²⁰³ I am not aware of any court interpreting the law in this way, nor have I seen any scholarly support for such an interpretation. See, e.g., Seicshnaydre, *supra* note 3, at 1002-03 (rejecting the possibility that § 3604(c) could apply to housing consumers, asserting that it, like § 3604(d), “do[es] not contemplate third parties”).

²⁰⁴ See *infra* Sections III.C & III.D.

²⁰⁵ As noted above, there might be First Amendment concerns with regulating speech beyond the ambit of substantive prohibitions—but these concerns would not apply when the underlying conduct is illegal. See *supra* note 155 and accompanying text.

²⁰⁶ See *supra* Part I & Section III.A.

the FHA, recently reaffirmed by the Supreme Court,²⁰⁷ requires attention to both demand-side and supply-side impediments to that goal.

C. *Advertising and Statements*

Section 3604(c) of the FHA makes it illegal “[t]o make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race [or other protected status], or an intention to make any such preference, limitation, or discrimination.”²⁰⁸ The limiting language—“with respect to the sale or rental of a dwelling”—has been interpreted to rule out “‘stray’ racial remark[s]” or social commentary about living patterns.²⁰⁹ But nothing in the advertising and statement prohibition specifies on which side of a transaction the speaker or advertiser must stand. Thus, homeseekers who state preferences based on race in connection with buying or renting a dwelling seem to fall under the literal language of § 3604(c), just as sellers and landlords plainly do.

It does not appear, however, that HUD or the courts have read § 3604(c) to reach homeseeker communications. HUD’s regulation on advertising and statements repeats the statutory prohibitions and then adds the following proviso: “The prohibitions in this section shall apply to all written or oral notices or statements *by a person engaged in the sale or rental of a dwelling.*”²¹⁰ Purchasers and tenants are arguably “engaged” in a sale or rental of a dwelling when they negotiate or sign a contract or lease, but the language fits them less well than supply-side housing providers. Moreover, the next section of the regulation, although expressly nonexhaustive, provides examples that seem to focus on supply-side discrimination.²¹¹

HUD also produced a letter and memorandum in the mid-1990s indicating that ads in which homeseekers describe their own characteristics would not be reachable by the FHA.²¹² Notably, such self-describing ads, when engaged in

²⁰⁷ See *Tex. Dep’t of Hous. & Cmty. Affairs v. Inclusive Cmty. Project, Inc.*, 135 S. Ct. 2507, 2525-26 (2015).

²⁰⁸ 42 U.S.C. § 3604(c) (2012).

²⁰⁹ See Schwemm, *supra* note 155, at 215 (citing *Harris v. Itzhaki*, 183 F.3d 1043, 1055 (9th Cir. 1999); *United States v. Northside Realty Assocs., Inc.*, 474 F.2d 1164, 1169-71 (5th Cir. 1973)).

²¹⁰ 24 C.F.R. § 100.75(b) (2016) (emphasis added).

²¹¹ See *id.* § 100.75(c).

²¹² See Letter from Nelson Diaz, Gen. Counsel, U.S. Dep’t of Hous. & Urban Dev., to Rene Milam, Assistant Gen. Counsel & Dir. of Legal Affairs, Newspaper Ass’n of Am., http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_advmemo [<https://perma.cc/2QE4-FEWS>] [hereinafter Diaz Letter] (opining that ads in which homeseekers describe themselves along protected dimensions did not violate the Act); Memorandum from Sara Pratt, Dir. of Investigations, U.S. Dep’t of Hous. & Urban Dev., to Reg’l Dirs. et al., U.S. Dep’t of Hous. & Urban Dev. (July 25, 1995), http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_

by housing providers, have been held to violate § 3604(c). For example, a landlord's advertisement of a unit for rent in a "white home" was found to communicate the landlord's racial preference in tenants to an ordinary reader.²¹³ Likewise, tenants and buyers who describe their own characteristics are plausibly signaling preferences for those characteristics in landlords, sellers, or neighbors.

Alternatively, a tenant or buyer might express a "limitation" based on protected status within the meaning of § 3604(c) simply by representing to sellers or landlords that the proposed transaction will be with a person whose characteristics match the specified ones—thereby facilitating discrimination by housing providers.²¹⁴ Interestingly, HUD issued its guidance despite expressly recognizing this risk.²¹⁵ Such self-describing ads, if sufficiently prevalent, could allow landlords to fill their units with those who match their preferred profiles without ever having to run a discriminatory ad or turn away people who show up to look at the unit.

These concerns have only been sharpened by the ways in which technology has altered the process for matching up homeseekers and homes. The one-to-many model of communication exemplified by the print newspaper ad has been supplanted by the many-to-many communications that the internet now facilitates—ones in which buyers and tenants as well as sellers and landlords can initiate housing matches. Those seeking housing can at trivial cost post information about their own characteristics or the characteristics that they seek in landlords, neighbors, or housemates. Reaching these ads and statements is a move that is well supported by the FHA's text and purpose.

D. *Assisted Search: Agents and Apps*

Homeseekers often receive assistance from others in carrying out searches. In this Section, I will consider two forms of assistive technologies: (1) the employment of real estate professionals; and (2) the use of apps or other online interfaces to structure search. In both cases, I will consider the potential liability of the homeseeker making use of such assistance to carry out biased searches, as well as the possible liability of the provider of such assistance (the real estate agent, app creator, or website provider). As in the case of advertisements and statements, the prohibitions contained in § 1982 help to buttress causes of action that relate to these sorts of assisted search.²¹⁶ Where the underlying conduct is illegal, it makes little sense to exempt actions

advmemo [<https://perma.cc/2QE4-FEWS>] (stating this conclusion and promising future guidance on the issue). The additional guidance promised in the Pratt memo does not appear to have materialized.

²¹³ See *United States v. Hunter*, 459 F.2d 205, 215 (4th Cir. 1972).

²¹⁴ See *supra* notes 95-96 and accompanying text.

²¹⁵ See Diaz Letter, *supra* note 212.

²¹⁶ See 42 U.S.C. § 1982 (2012).

directed at abetting it, if those actions otherwise fall within the coverage of the FHA's text and would undermine its purposes if left unchecked.

1. Real Estate Professionals

Consider first the possibility that homeseekers could incur liability based on biased statements or instructions given to real estate agents. Significantly, § 3604(c) has been interpreted to apply to both oral and written statements “with respect to the sale or rental of a dwelling.”²¹⁷ If that prohibition were read to reach homeseeker communications, it could reach statements made to real estate agents, including a request to exclude homes from consideration based on racial criteria. Such a statement would fall within the textual prohibition because it “indicates [a] preference, limitation or discrimination based on race” if it is sufficiently targeted to constitute a statement made “with respect to the sale or rental of a dwelling.”²¹⁸

Significantly, HUD's regulation on discriminatory ads and statements explicitly prohibits “[e]xpressing to agents, brokers, employees, prospective sellers or renters or any other persons a preference for or limitation on any purchaser or renter because of race [or other protected status].”²¹⁹ While this provision addresses discrimination against purchasers and renters, not sellers or landlords, it nonetheless shows that instructions to a realtor represent the kinds of statements that can, in HUD's view, run afoul of the FHA. Under the analysis in the preceding section, there is no textual, constitutional, or purpose-based reason for the law to treat homeseekers any differently under § 3604(c) than landlords and sellers are already treated.²²⁰

²¹⁷ 42 U.S.C. § 3604(c); 24 C.F.R. § 100.75(b) (2016) (“The prohibitions in this section shall apply to all written or oral notices or statements by a person engaged in the sale or rental of a dwelling.”). Courts have read the statutory prohibition in a similarly broad fashion. *See, e.g.*, *Jancik v. Dep't of Hous. & Urban Dev.*, 44 F.3d 553, 556-57 (7th Cir. 1995) (finding that a landlord's comments and questions about race and family status, made over the phone to prospective tenants, violated § 3604(c)).

²¹⁸ 42 U.S.C. § 3604(c). Much of what homeseekers say about their prospective searches would likely fall beyond the narrow confines of “with respect to the sale or rental of a dwelling.” *See, e.g.*, Schwemm, *supra* note 155, at 215 (citing cases in which § 3604(c) was found inapplicable because the statements in question were not tied to a specific transaction involving a dwelling). But some very targeted comments and instructions to realtors could be related tightly enough to the sale or rental of a dwelling to potentially generate liability.

²¹⁹ 24 C.F.R. § 100.75(c)(2).

²²⁰ The issue of enforcement remains, though the difficulty is not unique to homeseeker statements; it is just as hard to imagine how the prohibition on discriminatory statements that sellers or landlords make to agents could be enforced. Even if enforcement were wholly absent, however, making the conduct illegal could carry significant expressive force that might prove valuable in changing search norms. *See infra* note 259 and accompanying text. The underlying illegality of the discriminatory instructions would also rule out a defense for real estate agents who follow such instructions—that they are merely satisfying the entirely legal preferences of a housing customer. *See infra* notes 222-38 and accompanying text.

Consider next the potential liability of real estate professionals who solicit or follow race-based househunting instructions. Real estate agents are covered by the general prohibitions on discrimination found in § 3604 of the FHA, including § 3604(a), and thus may not “otherwise make unavailable or deny[] a dwelling.”²²¹ This language plainly reaches racial steering, in which a real estate agent selectively chooses properties to show based on the race of her clients, even if her actions are based on her own assumptions (accurate or not) about their preferences for neighborhood racial composition.²²² But what if the client actually expresses a preference and the agent merely carries it out, so that the agent cannot be said to have made any dwelling unavailable to that client? Here, it becomes relevant that § 3605(a) separately provides:

It shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status, or national origin.²²³

Section 3605(b) defines “residential real estate-related transaction[s]” to include not only loans and other financial transactions related to real estate, but also “[t]he selling, brokering, or appraising of residential real property.”²²⁴ Although § 3605 appears to be rarely invoked in cases involving the conduct of real estate agents,²²⁵ the usual meaning of “selling” and “brokering” would readily encompass the work of real estate agents.²²⁶

Significantly, § 3605’s statutory language contains no indication that only buyers and tenants, and not sellers and landlords, are capable of being deprived of transactions based on race. Textually, the issue boils down to whether the “any person” that a covered party may not discriminate against includes only the agent’s own actual and potential clients and those counterparties who happen to be consumers of housing, or also potential counterparties to the transactions in which a realtor’s own clients will engage as purchasers or tenants. If *no one* is to be discriminated against in the availability of transactions (as the phrase “any person” would seem to suggest), then it is hard

²²¹ 42 U.S.C. § 3604(a).

²²² *See, e.g.,* Vill. of Bellwood v. Dwivedi, 895 F.2d 1521, 1529-30 (7th Cir. 1990).

²²³ 42 U.S.C. § 3605(a).

²²⁴ *Id.* § 3605(b).

²²⁵ This omission may be due to the broadly applicable set of prohibitions in § 3604, which fit better with the usual steering case. But because § 3604 may not apply to homeseeker discrimination for the reasons already discussed, § 3605 could do independent work in addressing buyer-initiated discrimination carried out by real estate agents.

²²⁶ *See* 24 C.F.R. § 100.20 (2016) (“*Broker or Agent* includes any person authorized to perform an action on behalf of another person regarding any matter related to the sale or rental of dwellings, including offers, solicitations or contracts and the administration of matters regarding such offers, solicitations or contracts or any residential real estate-related transactions.”).

to see why the prohibition would not reach agents who assist clients in carrying out racially discriminatory home searches.

There is some contrary authority on this point, albeit not based on a reading of § 3605. A Seventh Circuit decision authored by Judge Posner, *Village of Bellwood v. Dwivedi*,²²⁷ indicated that a buyer's broker who was merely satisfying her discriminatory customer's preferences would not be liable under the FHA, as housing customers were presumed to be the beneficiaries, and not the targets, of the statute.²²⁸ Although recognizing that the biased decisions of homebuyers could have a cumulative impact on housing patterns, Judge Posner opined that it was not up to brokers "to solve [this] collective-action problem."²²⁹

In 1996, HUD wrestled with the same issue.²³⁰ Initially, HUD Assistant Secretary Elizabeth Julian responded in the negative when asked whether a buyer's agent would violate the FHA if she complied with a client's race-based search instructions.²³¹ She followed up this response with a second letter suggesting such conduct would be unethical and imprudent, even if not illegal.²³² After significant pushback,²³³ Julian retracted the initial letter²³⁴ and

²²⁷ 895 F.2d 1521 (7th Cir. 1990).

²²⁸ See *id.* at 1530 ("The statute prohibits real estate agents from refusing to show properties because of the race of the *customer*, or misleading the *customer* about the availability of properties because of his race, or cajoling or coercing the *customer* because of his race to buy this property or that or look in this community rather than that."); *id.* at 1531 ("[T]he broker who responds to the customer's desires[] is not discriminating against the *customer*, or denying the *customer* a dwelling, or misrepresenting to the *customer* the unavailability of a dwelling."). Like most steering cases, *Bellwood* focuses on § 3604 and does not mention § 3605. See *id.* at 1525.

²²⁹ *Id.* at 1530.

²³⁰ It did so in a series of communications from HUD Assistant Secretary Elizabeth Julian, which have been collected online by the National Fair Housing Advocate Online. See NAT'L FAIR HOUS. ADVOCATE ONLINE, *The Buyer's Agent Issue*, TENN. FAIR HOUS. COUNCIL, http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_buyers_agent [https://perma.cc/8PCE-4D9U] (last visited Dec. 5, 2016).

²³¹ Letter from Elizabeth K. Julian, Assistant Sec'y, U.S. Dep't of Hous. & Urban Dev., to Jill D. Levine, Chief Counsel, The Buyer's Agent, Inc. (Oct. 2, 1996), http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_buyers_agent#Initial%20HUD%20Buyer%27s%20Agent%20letter [https://perma.cc/8PCE-4D9U] [hereinafter October 2, 1996 Julian Letter to Levine] (stating that subject to some provisos, "a buyer's agent would not violate the [FHA] merely by mutely accommodating the client's request to limit, on a protected class basis, the search for dwellings").

²³² Letter from Elizabeth K. Julian, Assistant Sec'y, U.S. Dep't of Hous. & Urban Dev., to Jill D. Levine, Chief Counsel, The Buyer's Agent, Inc., http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_buyers_agent#Second HUD Buyer's Agent Letter [https://perma.cc/8PCE-4D9U] ("In short, from the standpoint of legally prudent, as well as ethical, considerations, I would strongly advise against any agent or broker . . . accommodating a request that a housing search be

promised to follow up with “comprehensive guidance” on the point,²³⁵ a promise that seems to have gone unfulfilled.²³⁶

An assumption underlying these existing analyses is that homeseekers themselves could never be held liable for undertaking discriminatory searches or making discriminatory housing decisions. But that assumption is both inaccurate and irrelevant. It is inaccurate given the analysis above about the reach of § 1982.²³⁷ It is irrelevant because the law already uncontroversially extends greater duties in cases where real estate agents are employed than it does when parties to real estate transactions act alone. For example, the single-family homeowner exception does not apply if the owner uses an agent, and the agent himself could be liable in that scenario as well.²³⁸

Moreover, as the earlier discussion of autonomy suggested, homeseekers have no plausible normative claim to compel others to help them realize discriminatory preferences about their neighbors—at least no claim that would be consistent with existing understandings of fair housing law. Well-settled understandings of antidiscrimination law already constrain parties to act in

limited based on race, or other protected-class terms. The fact that Section 804(a) of the Fair Housing Act may, under limited circumstances, not prohibit such accommodation does not make it right, does not make it ethical, and it is not the policy of the Department of Housing and Urban Development to endorse such conduct.”).

²³³ See Letter from Aurie A. Pennick, President, Leadership Council for Metro. Open Cmty., to Elizabeth K. Julian, Assistant Sec’y, U.S. Dep’t of Hous. & Urban Dev. (Nov. 8, 1996),

http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_buyers_agent#Aurie%20Pennick%27s%20response%20to%20the%20HUD%20Buyer%20Agent%20letters [<https://perma.cc/8PCE-4D9U>] (stating that the October 2, 1996 Julian Letter to Levine, *supra* note 231, “was received with shock and dismay by fair housing advocates and many real estate professionals” and asserting that the guidance given in it was “unhelpful, illogical, and even dangerous”).

²³⁴ Letter from Elizabeth K. Julian, Assistant Sec’y, U.S. Dep’t of Hous. & Urban Dev., to Aurie Pennick, President, Leadership Council for Metro. Open Cmty. (Dec. 3, 1996), http://www.fairhousing.com/index.cfm?method=page.display&pagename=HUD_resources_buyers_agent#HUD final Buyer’s Agent letter (response to Aurie Pennick) [<https://perma.cc/8PCE-4D9U>] (“In light of the obvious ‘slippery slope’ down which my letter has apparently invited some to slide, and my agreement with you that my letter sent the ‘wrong message,’ I have decided to rescind the October 2, 1996 letter, as you requested, and develop comprehensive guidance that will address the issue more broadly . . .”).

²³⁵ *Id.*

²³⁶ See *Hannah v. Sibcy Cline Realtors*, 769 N.E.2d 876, 885 (Ohio Ct. App. 2001) (noting that the promised guidance never materialized).

²³⁷ See *supra* notes 183-202 and accompanying text.

²³⁸ See 42 U.S.C. §§ 3603(b)(1), 3604 & 3605 (2012). Similarly, Mrs. Murphy landlords are only exempted from § 3604 (with the exception of § 3604(c)). See *id.* § 3603(b). Thus, if Mrs. Murphy hired a realtor, that person could presumably be held liable for discrimination under § 3605, even though Mrs. Murphy would not herself be liable under the FHA for engaging in the same discrimination.

ways that may thwart the strongly held desires of housing consumers for racial homogeneity.²³⁹ Just as an employer cannot refuse to hire women simply because its customers dislike working with women,²⁴⁰ a landlord cannot ban people of a particular race or religion simply because most of the landlord's current or prospective tenants do not like living near people of that race or religion. Likewise, a real estate agent cannot steer customers away from a given neighborhood in order to satisfy the racial preferences of current residents or the prospective biases of future homeseekers in that area.²⁴¹

These prohibitions thus already operate to effectively withdraw discriminatory prerogatives from both residents and prospective homeseekers.²⁴² It seems odd to rule out what merely amounts to an additional way of withdrawing discriminatory prerogatives from homeseekers: forbidding agents from following categorical race-based instructions from homeseekers.²⁴³ There are also practical difficulties in separating agents' acts directed at catering to the racial preferences they expect homeseekers to have (clearly forbidden) from those that merely carry out the expressed racial preferences of homeseekers.²⁴⁴ Moreover, the fact that a broker's other potential clients have preferences about racial composition in their current or prospective neighborhoods may influence the way that the broker responds to the race-based preferences that are stated by her househunting clients. Agents, as repeat players who work both sides of the fence, may have a financial

²³⁹ See, e.g., *supra* notes 131-35 and accompanying text.

²⁴⁰ See Christine Jolls, *Antidiscrimination and Accommodation*, 115 HARV. L. REV. 642, 686 (2001) ("Title VII forbids employers to refuse to hire female candidates to work with particular customers even though those customers would be highly reluctant to work with a woman."); Kelman, *supra* note 125, at 848 ("As a matter of positive law, it is clearly the case that an employer cannot refuse to hire as a result of such racist or sexist customer preferences.").

²⁴¹ See *Vill. of Bellwood v. Dwivedi*, 895 F.2d 1521, 1530 (7th Cir. 1990) ("A person who serves as a conduit for another person's discrimination can, it is true, be guilty of intentional discrimination, or, what is the same thing, of disparate treatment."). However, the court in *Dwivedi* distinguished cases in which a realtor steers her homebuying client away from a neighborhood based on the preferences of other potential customers in that neighborhood or follows the instructions of a *selling* client not to show the home (both of which are clearly impermissible) from a case in which the realtor facilitates the racial preferences of her own homebuying client. See *id.* at 1530-31.

²⁴² Cf. Kelman, *supra* note 125, at 848 (suggesting that antidiscrimination law places a duty on customers to refrain from discrimination, even though this restriction is enforced through constraints placed on the employer).

²⁴³ See *id.* (describing employers as agents or intermediaries for customers through whom antidiscrimination law can be enforced); see also Mark Kelman, *Defining the Antidiscrimination Norm to Defend It*, 43 SAN DIEGO L. REV. 735, 758-59 (2006) (arguing that the customers of a business are the "true employers" to whom the antidiscrimination norm should be understood to extend).

²⁴⁴ See Larkin, *supra* note 9, at 1642, 1648.

interest in the content of buyer preferences. At the very least, there is the appearance of a conflict of interest when agents are involved in processing and carrying out racially biased search instructions.

Many real estate agents wisely refuse to embroil themselves in furthering the discriminatory preferences of their clients. They may instead suggest that the clients themselves identify neighborhoods of interest, without the broker providing information about the racial composition of the area. Agents might, however, increasingly recommend apps or data sources that will enable homeseekers to identify neighborhoods that meet their criteria.²⁴⁵ This trend raises the stakes for the treatment of those technologies, a topic I turn to now.

2. Apps and Interactive Online Tools

Could an app designed to simplify search, or a homeseeker's use of such an app, violate fair housing law? The FHA predated, and thus does not speak directly to, the use of apps and other online interfaces. But new ways of carrying out prohibited acts can plainly be reached by antidiscrimination law, provided there is no countervailing law on the books. For example, it is uncontroversial that landlords and sellers who post discriminatory ads on the internet can be liable under the FHA, even though the Communications Decency Act limits the liability of internet service providers who do nothing more than serve as conduits for these discriminatory ads.²⁴⁶

Providers of interactive tools that elicit information about protected characteristics from homeseekers or facilitate the filtering of applicants for housing based on those characteristics can also incur liability under § 3604(c). In an earlier stage of the *Roommate.com* litigation, the Ninth Circuit held that an online interface that prompts users to provide personal information and specify preferences corresponding to protected statuses could run afoul of the FHA's advertising provision, notwithstanding the immunity offered to internet service providers by the Communications Decency Act.²⁴⁷ Of course, that interface elicited information and preferences from those who were offering housing as well as those who were seeking housing.²⁴⁸ But if § 3604(c) were

²⁴⁵ See, e.g., Lerner, *supra* note 55 (reporting on a broker's belief that providing demographic data directly to clients would violate fair housing laws, leading her to instead recommend apps that will provide the same data).

²⁴⁶ See Chi. Lawyers' Comm. for Civil Rights Under Law, Inc. v. Craigslist, Inc., 519 F.3d 666, 672 (7th Cir. 2008) ("Using the remarkably candid postings on craigslist, the Lawyers' Committee can identify many targets to investigate. It can dispatch testers and collect damages from any landlord or owner who engages in discrimination.").

²⁴⁷ See Fair Hous. Council of San Fernando Valley v. Roommates.com, LLC, 521 F.3d 1157, 1164-72 (9th Cir. 2008) (en banc). The Ninth Circuit later ruled that roommates are not making decisions about "dwellings" and hence fall outside the FHA entirely. See Fair Hous. Council of San Fernando Valley v. Roommate.com, LLC, 666 F.3d 1216, 1222 (9th Cir. 2012). But the earlier holding remains relevant for situations that do not involve shared housing.

²⁴⁸ See *Roommates.com*, 521 F.3d at 1161 (observing that the Roommates.com website

found to apply to homeseeking, as suggested above, the seeker/provider distinction would disappear. Both the person using the interface to restrict search based on racial criteria and the website provider enabling this functionality could be potentially liable.

Consider an online tool or mobile app that aggregated information about the races of sellers or landlords and permitted users to filter listings on this basis. Section 3604(c) liability could be triggered by the statements or preferences communicated by the user to the application.²⁴⁹ Even if such an interface were deemed too attenuated from any particular sale or rental to generate liability under § 3604(c), a homeseeker's use of such a tool could provide proof of a § 1982 violation in withdrawing opportunities for sales and rental transactions from individuals based on race.²⁵⁰ Such an app could be readily distinguished from tools that enable homeseekers (and others) to learn about neighborhood conditions, including racial composition.²⁵¹ Because data on neighborhood racial composition could be used in any number of valid, nondiscriminatory ways—from assessing changes in neighborhoods over time to reassuring homeseekers that they were making integrative rather than segregative moves—there are compelling normative reasons to resist restricting access to such information.²⁵²

A particularly interesting set of questions is raised by the prospect of interactive tools that would allow households to coordinate their home selection decisions with each other, without involving a developer, landlord, or realtor. For example, groups of in-movers could coordinate in virtual space, privately, to enter a new or redeveloping community. If such tools are not already available, it seems inevitable they soon will be. Indeed, a recent novel set in Detroit had what one character termed a “Groupon model of

was “designed to match people renting out spare rooms with people looking for a place to live”).

²⁴⁹ Cf. *Jancik v. Dep't of Hous. & Urban Dev.*, 44 F.3d 553, 557 (7th Cir. 1995) (holding that a landlord's question about race can, in context, violate § 3604(c)).

²⁵⁰ Cf. Schwemm, *supra* note 155, at 251-55 (discussing evidentiary use of discriminatory ads and statements).

²⁵¹ A more difficult intermediate case, which I will return to below, would be an app that not only informs about racial composition but also enables categorical screening of listings on that basis. See *infra* notes 274-76 and accompanying text.

²⁵² Indeed, HUD itself is making rich and detailed racial data and an associated mapping tool publicly available as part of its new approach to affirmatively furthering fair housing. See OFFICE OF POLICY DEV. & RESEARCH, U.S. DEP'T OF HOUS. & URBAN DEV., *Affirmatively Further Fair Housing: Assessment Tool*, https://www.huduser.gov/portal/affht_pt.html#affhassess-tab [<https://perma.cc/Q44W-D2JA>] (last visited Dec. 5, 2016). While it is possible this information might be used for discriminatory purposes as well as worthy ones, its capacity to identify and address segregation makes it valuable on balance. I thank Nestor Davidson for comments on this point.

gentrification” as a primary plot element.²⁵³ What should the role of the law be with respect to such coordination?

On one hand, housing coordination of this sort is merely a scaled up and high tech version of the kinds of decisions that homeseekers already make—and which are widely viewed as immune from legal action.²⁵⁴ On the other, coordinated action might seem like a larger threat to housing access.²⁵⁵ Even if disconnected individual decisions lie beyond the law, efforts to coordinate those decisions might not. Such coordinated action could make dwellings unavailable under § 3604(a). Moreover, some interactive tools designed to coordinate behavior could violate § 3604(e), the FHA’s anti-blockbusting provision, which makes it unlawful “[f]or profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race [or other protected status].”²⁵⁶ An app that merely predicted future racial trends would not be attempting to induce anyone to sell or rent, but a for-profit coordination platform that prominently included racial data might seem to do exactly that.

Reaching coordination tools, however, would be a double-edged sword. As this Article’s analysis has suggested, the existing uncoordinated patterns of homeseeking decisions already pose a serious threat to fair housing, if a largely unrecognized one.²⁵⁷ If it is more difficult to achieve integrated outcomes through unguided and fragmented individual choices than it is to perpetuate segregated outcomes through those same dispersed choices, cracking down on mechanisms for coordinating and guiding choice could run counter to the project of advancing integration. This point bears on doctrine to the extent that the integrative purpose of the FHA informs interpretation of its provisions.

Regardless of the state of current law, apps bring another actor onto the scene (the app designer) who could be the subject of legal and policy directives. Certain kinds of functionality that would tend to produce a segregative effect might be analyzed under disparate impact analysis, as I will discuss below, although a robust nondiscriminatory interest in the free availability and use of data would strictly limit this avenue. Nonetheless, there may be other ways in which these new data tools could be addressed to

²⁵³ BENJAMIN MARKOVITS, *YOU DON’T HAVE TO LIVE LIKE THIS* 17 (2015). In the novel, a developer served as a coordinator and appeared to have the power to select which groups would actually receive blocks of houses, but it is easy to imagine models in which groups and individuals could go to a website to coordinate blocks of proposed purchases on their own.

²⁵⁴ See *supra* note 3 and accompanying text.

²⁵⁵ Coordination of race-based preference fulfillment through zoning or covenants, for example, is actionable. See *supra* notes 131-35; see also Seicshnaydre, *supra* note 3, at 972-73 (discussing connections between the preferences of white homeseekers and zoning policy).

²⁵⁶ 42 U.S.C. § 3604(e) (2012).

²⁵⁷ See *supra* Section I.A.

advance fair housing. Most notably, the affirmatively further mandate might include incentives for innovative apps that would help to debias search and advance integration.²⁵⁸

IV. SHIFTING COSTS

Although the approach detailed in Part III would break new doctrinal ground and carry considerable expressive force, it would likely make only limited inroads into closing the search gap.²⁵⁹ Consistent with the normative constraints outlined in Part II, it would preserve a realm of decisional autonomy in which bias could operate unchecked. The associated costs must be borne by someone—whether those who find their housing opportunities diminished due to their protected status, or other parties who are in a position to bear or mitigate those costs. This Part explores some of the ways that these costs might be shifted among parties.

A. *Theories and Limits*

The FHA contains two powerful doctrinal levers for shifting the costs of biased homeseeking: the disparate impact cause of action, and the mandate to affirmatively further fair housing. Each of these potential avenues for closing the search gap will be explored in more detail below. Notably, however, even legal prohibitions on disparate *treatment* shift some costs associated with biased search. For example, landlords, developers, and real estate agents are not permitted to discriminate based on protected status even when placed under great financial pressure to do so by prospective tenants, buyers, or clients.²⁶⁰ Legal compliance in these situations can mean forfeiting income.²⁶¹ Prohibitions on such customer-catering discrimination can be understood not only as a means of effectively overriding certain consumer preferences, then, but also as a technology for shifting costs associated with certain forms of homeseeker discrimination onto housing providers and brokers.

Disparate impact and the affirmatively further mandate offer more overt means of reallocating bias-related costs. Biased search heuristics factor into these theories in two ways, supplying both a “why” and a “how.” First, the existence of discriminatory homeseeking and its effects in perpetuating

²⁵⁸ See *infra* Section IV.C.2.

²⁵⁹ The effect is difficult to predict because a change in search norms could yield more significant results than might be expected based on enforcement prospects alone. See Bartlett & Gulati, *supra* note 8, at 256-57 (suggesting that even a difficult-to-enforce legal change could carry expressive force and influence norms). See generally MCADAMS, *supra* note 84 (examining the power of the law to communicate norms and enable people to coordinate their behavior, even in the absence of enforcement). Whatever the size of the response, any decrease in discriminatory conduct on the part of homeseekers will reduce the costs that other parties must bear as a result of such conduct.

²⁶⁰ See *supra* notes 239-42 and accompanying text.

²⁶¹ Cf. Jolls, *supra* note 240, at 686-87 (making this point in the employment context).

segregation provide a rationale for compensatory efforts, as well as a basis for rebutting the notion that optimal integration levels have already been achieved. Second, a focus on search tactics provides substantive guidance about the shape that such corrective efforts might take.

Efforts to promote integration can come under fire for being too aggressive as well as for being too anemic.²⁶² Race-conscious efforts to influence cumulative homeseeker decisions, as through integration maintenance programs directed at addressing tipping dynamics, confront legal barriers.²⁶³ And in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*,²⁶⁴ the Supreme Court expressed wariness about (although it did not completely rule out) the possibility of race-conscious remedies for disparate impact violations.²⁶⁵ Nonetheless, the affirmatively further mandate, along with the Court's recognition of the FHA's goal of integration in connection with its disparate impact analysis, offer potential hooks for supporting (or at least not outlawing) a variety of cost-shifting approaches.

B. *Disparate Impact*

The disparate impact cause of action, recently recognized by the Court in *Inclusive Communities*, offers one avenue for shifting the costs of biased search onto parties who are in a good position to bear or mitigate them.²⁶⁶ Although disparate impact is at least partly justified by its ability to “smoke out” intentional discrimination that is simply too difficult to prove,²⁶⁷ in prototypical form it reaches conduct that is both facially neutral and neutral in intent. Neutral policies can have a discriminatory effect if they reach factors that correlate with protected group status. Often those correlations were

²⁶² Cf. Saul Levmore, *The Mortgage Crisis and Affirmative Action*, UNIV. OF CHI. L. SCH.: FAC. BLOG (Sept. 3, 2007, 6:03 PM), <http://uchicagolaw.typepad.com/faculty/2007/09/mortgage-crisis.html> [https://perma.cc/CS2U-AWV4] (discussing settings involving “regulation from two directions”).

²⁶³ See, e.g., *United States v. Starrett City Assocs.*, 840 F.2d 1096, 1103 (2d Cir. 1988) (striking down an integration maintenance plan as violating the FHA).

²⁶⁴ 135 S. Ct. 2507 (2015).

²⁶⁵ See *id.* at 2524-25.

²⁶⁶ Because the disparate impact cause of action has been recognized for decades by courts of appeals, see *id.* at 2525, there has already been considerable experience with some of these approaches.

²⁶⁷ See, e.g., Kelman, *supra* note 125, at 891 n.86 (“Certainly, one use of disparate impact law is to smoke out ‘canonical’ disparate treatment, to forbid seemingly neutral practices that were actually put into place in order to exclude people because of status.”); see also *Inclusive Cmty.*, 135 S. Ct. at 2522 (“Recognition of disparate-impact liability under the FHA also plays a role in uncovering discriminatory intent: It permits plaintiffs to counteract unconscious prejudices and disguised animus that escape easy classification as disparate treatment.”).

produced by intentional discrimination by actors whose conduct is, for whatever reason, not readily reachable by law.²⁶⁸

Consider *Griggs v. Duke Power Co.*,²⁶⁹ the case that held disparate impact claims to be cognizable under Title VII.²⁷⁰ There, the screening administered by the employer (tests and a high school graduation requirement) yielded disparate results that tracked racial lines due to past racial discrimination, including segregated schools.²⁷¹ Of course, many of the African American job applicants who failed the screen did so for reasons unrelated to their race just as many white applicants failed the screen, but it is a statistical certainty that some of the black applicants were disadvantaged because of race.²⁷² The disparate impact cause of action does not ask for these past causal chains to be untangled, but rather requires that a less discriminatory alternative be put in place if one is available.

In the housing context, certain choices of public and private actors interact with homeseeker biases to produce results that entrench segregation. Challenging those choices through disparate impact analysis offers a way of ameliorating the impacts of homeseeker biases. For example, changes in zoning classifications that catalyze rapid and concentrated gentrification while constraining the production of housing in other neighborhoods can be challenged based on their predicted interaction with homeseeker choices. Disparate impact analysis has already been used to challenge, with some success, decisions about the location of affordable housing or the permissibility of different categories of housing stock in a given municipality.²⁷³

There are other, less familiar ways in which disparate impact claims might be used to address or backfill the search gap. For example, disparate impact analysis might be used to evaluate search practices facilitated by particular data manipulation tools. Suppose an app were created that allowed users to filter real estate listings based on maximum percentages of households of a particular race residing within a certain radius of the property. Further, suppose it were shown that widespread use of this type of tool within a particular geographic area tended to perpetuate patterns of segregative housing choices—

²⁶⁸ This is not to suggest that identifying such prior discrimination is a prerequisite to liability—plainly it is not. In the contexts of sex and disability, for example, liability can be imposed based on differences that were not due to anyone’s discrimination. *See Zatz, supra* note 122 (manuscript at 34-35).

²⁶⁹ 401 U.S. 424 (1971).

²⁷⁰ *See id.* at 431.

²⁷¹ *See id.* at 427-28, 430-31.

²⁷² *See Zatz, supra* note 122 (manuscript at 27-32).

²⁷³ *See generally* 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 (2013) (analyzing and collecting data on the use of disparate impact analysis in different categories of cases, including ones involving “housing barriers” such as exclusionary zoning).

a type of discriminatory effect recognized by both HUD and the Supreme Court as supporting a disparate impact claim.²⁷⁴

Of course, showing a discriminatory effect is just the first step in making out such a claim. Under the burden-shifting approach adapted from *Griggs*, the defendant has an opportunity to present a valid nondiscriminatory reason for the policy or practice, which the plaintiff then must show can be achieved through a less discriminatory alternative.²⁷⁵ The fact that data tools might be used to support integrative as well as segregative housing searches provides a nondiscriminatory reason for offering and employing such a tool. But a less discriminatory alternative than enabling users to place “ceilings” on particular groups might be an app that allowed users to specify minimum percentages of a particular race, perhaps capped at fifty percent. Such an approach would allow some in-group clustering as well as integrationist efforts, without supporting searches for segregated areas.²⁷⁶ It would not keep people from using data to find more segregated neighborhoods if they wished to do so, but it would keep doing so from being a routinized and potentially focal practice.

An app like the fictitious Tiebout2Go, which would seek to replicate as closely as possible an individual’s current residential situation in a new

²⁷⁴ HUD’s regulation is explicit on this point. 24 C.F.R. § 100.500(a) (2016) (“A practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of persons or creates, increases, reinforces, or perpetuates segregated housing patterns because of race, color, religion, sex, handicap, familial status, or national origin.”). Although the Supreme Court has not expressly addressed this regulatory definition, its statements and analysis in *Inclusive Communities* indicate that it views a segregative effect as supporting disparate impact liability. See *Tex. Dep’t of Hous. & Cmty. Affairs v. Inclusive Cmty. Project, Inc.*, 135 S. Ct. 2507, 2522 (2015) (observing that “disparate-impact liability may prevent segregated housing patterns that might otherwise result from covert and illicit stereotyping”); *id.* (“[T]he FHA aims to ensure that [housing authorities’] priorities can be achieved without arbitrarily creating discriminatory effects or perpetuating segregation.”); Stacy E. Seicshnaydre, *Disparate Impact and the Limits of Local Discretion After Inclusive Communities*, 24 *GEO. MASON L. REV.* (forthcoming 2017) (manuscript at 23-24), <https://ssrn.com/abstract=2823813> [<https://perma.cc/LMB8-L6ZT>] (observing that the Supreme Court in *Inclusive Communities* “acknowledged the continuing vitality of the perpetuation of segregation theory under the FHA” through its statements and its endorsement of past cases employing that theory).

²⁷⁵ See *Inclusive Cmty.*, 135 S. Ct. at 2522-23; 24 C.F.R. § 100.500. The precise formulation of the disparate impact test under the FHA remains open to question. See, e.g., Robert G. Schwemm, *Fair Housing Litigation After Inclusive Communities: What’s New and What’s Not*, 115 *COLUM. L. REV. SIDEBAR* 106, 121 (2015) (noting minor wording differences between HUD’s disparate impact rule and the Court’s statements about disparate impact in *Inclusive Communities*).

²⁷⁶ It is noteworthy that such an approach would appear to interfere relatively little with the broad run of African American neighborhood composition preferences while having more bite in addressing white racial composition preferences. See *supra* notes 110-12 and accompanying text (discussing empirical evidence of asymmetric preferences for neighborhood composition).

metropolitan area,²⁷⁷ could also be subject to disparate impact analysis if it tended to have a segregative effect. Here, the nondiscriminatory rationale would be that of facilitating relocation into areas that match one's current location—a way of “not moving” (or not moving as much) when one moves. After all, continuing to live in a segregated neighborhood also entrenches segregation, but there are compelling nondiscriminatory reasons that people might wish to stay where they are. These interests are attenuated when one seeks to replicate one's current environment elsewhere, however. A less discriminatory approach might permit matching only on factors other than racial composition, or adding some degree of randomization as to race and closely correlated factors.²⁷⁸

In sum, the persistence of homeseeker discrimination shows that disparate impact analysis remains relevant for countering the effects of ongoing, intentional racial discrimination in the housing domain. The search gap is by no means the only justification for recognizing a disparate impact cause of action, nor the only source of misalignment between fair housing rights and currently recognized intent-based duties. Many forms of past and ongoing discrimination that cannot be reached by the law can interact with neutral policies to constrain housing options “because of race.”²⁷⁹ Nonetheless, the search gap is an especially interesting place to focus attention when considering disparate impact as a cost-shifting mechanism. It shows that some of the work that disparate impact analysis might do is not about fixing obscure problems far back in the causal chain, but rather about addressing here-and-now intentional racial discrimination that we cannot or will not tackle head-on.²⁸⁰

²⁷⁷ See *supra* note 61 and accompanying text.

²⁷⁸ See *infra* notes 305-09 and accompanying text.

²⁷⁹ For discussion of the meaning of “because of race” as it relates to disparate impact, see generally Lee Anne Fennell, *Because and Effect: Another Take on Inclusive Communities*, 68 STAN. L. REV. ONLINE 85 (2016); Noah D. Zatz, *The Many Meanings of “Because of”*: A Comment on Inclusive Communities Project, 68 STAN. L. REV. ONLINE 68 (2015).

²⁸⁰ Cf. Alan Wertheimer, *Reflections on Discrimination*, 43 SAN DIEGO L. REV. 945, 958 (2006) (“Precisely because society decides to allow racially based mating choices, it may also acquire a responsibility to remedy or soften the harmful social consequences of such choices.”). Put differently, the legitimacy of granting broad decisional authority to individual households in the home selection domain may be contingent on other societal efforts that ensure its cumulative exercise will not unduly damage the interests of other households. Thus, a normative commitment to decisional privacy might justify *shifting* the burden of delivering fair housing opportunities, but would not justify ignoring the obligation altogether. See Hanoch Dagan & Avihay Dorfman, *Just Relationships*, 116 COLUM. L. REV. 1395, 1428 (2016) (observing that one way to address conflicts between the demands of relational justice and other commitments of the state is “to restrict individual responsibility by shifting some of the burden onto public law, thereby preventing or limiting the conflict with distributive or democratic commitments”).

C. *Affirmatively Furthering*

The FHA obligates HUD to “administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies of [the FHA].”²⁸¹ In a July 2015 final rule, HUD defined “affirmatively furthering fair housing” as “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”²⁸² Under this rule, grant recipients such as local governments and public housing authorities must submit an Assessment of Fair Housing that documents current housing patterns, sets goals to improve them, and details impediments and plans for overcoming them.²⁸³

HUD does not mandate any particular outcomes or set any benchmarks, however, much less specify sanctions for failing to reach them.²⁸⁴ Nonetheless, HUD’s new emphasis on the affirmatively further mandate supports efforts to overcome patterns associated with presumptively unreachable forms of conduct. Below, I consider some strategies that change the mix of information available to searchers, innovate in other ways within the search space, or change what is at stake when homeseekers make housing decisions.

1. Information Strategies

Information-based strategies can alter the search environment by either adding or subtracting information.²⁸⁵ The former category includes efforts to

²⁸¹ 42 U.S.C. § 3608(e)(5) (2012). Another provision mandates cooperation by other executive departments and agencies in affirmatively furthering the purposes of the FHA. *Id.* § 3608(d).

²⁸² *Affirmatively Furthering Fair Housing*, 80 Fed. Reg. 42,272, 42,353 (July 16, 2015) (to be codified at 24 C.F.R. § 5.152). In the past, HUD required local governments, housing authorities, and other grant recipients to create an “Analysis of Impediments” to Fair Housing. *Id.* at 42,272. This document “was generally not submitted to or reviewed by HUD” however, and was found to be “not as effective as originally envisioned.” *Id.*; see also Rigel C. Oliveri, *Beyond Disparate Impact: How the Fair Housing Movement Can Move On*, 54 WASHBURN L.J. 625, 642-43 (2015) (discussing HUD’s history of neglecting the affirmatively further mandate and citing the 2006 Westchester County litigation as a turning point).

²⁸³ *Affirmatively Furthering Fair Housing*, 80 Fed. Reg. 42,272, 42,355 (to be codified at 24 C.F.R. § 5.154).

²⁸⁴ See *id.* at 42,272 (“While the statutory duty to affirmatively further fair housing requires program participants to take actions to affirmatively further fair housing, this final rule . . . does not mandate specific outcomes for the planning process.”). Rather, the rule requires those whom it funds to chart their own progress, set benchmarks, and identify obstacles and ways of overcoming them. See *id.* at 42,286-87 (describing comments on this issue and providing a response).

²⁸⁵ In other words, as Lior Strahilevitz puts it, law can employ “search lights” or “curtains.” Lior Jacob Strahilevitz, *Reputation Nation: Law in an Era of Ubiquitous*

address homebuyer search heuristics through affirmative marketing. In *Stephoe v. Beverly Area Planning Ass'n*,²⁸⁶ for example, a nonprofit community organization, the Beverly Area Planning Association (“BAPA”), provided information to homeseekers who were interested in making “nontraditional moves.”²⁸⁷ Beverly, a historically predominantly white neighborhood on the far southwest side of Chicago, had become integrated, and BAPA was concerned about maintaining that integration against resegregation.²⁸⁸ To that end, it provided bifurcated housing advice, informing white homeseekers about housing opportunities within the integrated Beverly neighborhood, but directing black homeseekers to predominantly white areas in nearby suburbs.²⁸⁹

The court upheld BAPA’s selective provision of information against FHA and § 1982 challenges.²⁹⁰ It found that BAPA did not control access to housing, held no monopoly on housing information, and disclosed to homeseekers the selective nature of the information that it would provide.²⁹¹ BAPA was thus deemed to be merely providing extra information about integrative moves to those who sought it out.²⁹²

Affirmative marketing efforts were likewise upheld in another Chicago-area case, *South-Suburban Housing Center v. Greater South Suburban Board of Realtors*.²⁹³ There, the South-Suburban Housing Center (“SSHC”) made extra efforts to interest white homebuyers in homes it had bought in an area of Park Forest that had become known as a “black block.”²⁹⁴ The Seventh Circuit held that this did not violate the FHA, because black homebuyers were not dissuaded or misinformed about the opportunities.²⁹⁵ Although the court noted that any steering based on a customer’s race would be impermissible, it held that “[i]n the absence of concrete evidence of this nature . . . we see nothing wrong with SSHC attempting to attract white persons to housing opportunities they might not ordinarily know about and thus choose to pursue.”²⁹⁶

Personal Information, 102 NW. U. L. REV. 1667, 1711-13 (2008) (explaining how law can use search lights and curtains, in addition to carrots and sticks, and highlighting the way that the former two strategies might be used in the antidiscrimination context); *see also* STRAHILEVITZ, *supra* note 143, at 157-72.

²⁸⁶ 674 F. Supp. 1313 (N.D. Ill. 1987).

²⁸⁷ *Id.* at 1315.

²⁸⁸ *Id.* at 1315-16.

²⁸⁹ *Id.* at 1316.

²⁹⁰ *Id.* at 1318-23.

²⁹¹ *Id.* at 1319-20.

²⁹² *Id.*

²⁹³ 935 F.2d 868, 881-85 (7th Cir. 1991).

²⁹⁴ *Id.* at 873. The purchases of the homes by SSHC followed a wave of foreclosures and blight in the neighborhood. *Id.*

²⁹⁵ *Id.* at 884.

²⁹⁶ *Id.*

As in *Steptoe*, the information provided by SSHC was deemed to be purely additive, and offered in support of one of the FHA's goals: integration.²⁹⁷ Neither group's provision of extra information would be necessary or useful if home search decisions were already being made in a race-neutral way. In both cases, the need to counter existing race-based decision patterns provided the impetus and the justification. Nonetheless, selectively channeling information about neighborhood opportunities to white homeseekers is a less normatively attractive way to address biased search than finding race-neutral mechanisms to disrupt established search heuristics. Below, I will consider some ways that emerging technologies might support such alternatives.

The opposite strategy—removing information—has also been attempted by communities, primarily in the context of attempting to arrest white flight. As Schelling's analysis suggests, housing decisions can produce cascades;²⁹⁸ thus, shielding some moves from view could keep other moves from occurring at all. Starting in the 1970s, a number of communities experimented with limits on "for sale" signs, in an effort to arrest a destructive dynamic in which knowledge of sales sets off more sales.²⁹⁹ There are constitutional limits on this approach, however, and in *Linmark Associates, Inc. v. Township of Willingboro*,³⁰⁰ the Supreme Court struck down such a sign ban on First Amendment grounds.³⁰¹ Yet sign bans still exist in some communities, even if only enforced through social norms.³⁰²

Today's information-rich environment provides many more ways to access information about homes for sale, but there may still be something viscerally significant and especially salient about physical signs. For one thing, homeowners who have no thought of moving are unlikely to be actively

²⁹⁷ *See id.*

²⁹⁸ *See, e.g.,* Schelling, *supra* note 104, at 173-75 (discussing the role of speculative expectations about neighborhood change in exit decisions).

²⁹⁹ *See, e.g.,* ELLEN, *supra* note 6, at 162-63; Steven Jackson, *Not in Your Front Yard: Why "For Sale" Signs Are Banned in Oak Park*, WBEZ: CURIOUS CITY (Mar. 21, 2016), <https://www.wbez.org/shows/curious-city/not-in-your-front-yard-why-for-sale-signs-are-banned-in-oak-park/5d93f1e7-8540-495c-bbca-6bc7a4430702> [https://perma.cc/FJY8-8X6D].

³⁰⁰ 431 U.S. 85 (1977).

³⁰¹ *Id.* at 98. In his opinion for the Court, Justice Marshall observed that an alternative to prohibiting "for sale" signs would be for white homeowners to send a competing message with "not for sale" signs. *Id.* at 97. For a discussion of the use and effects of "not for sale" signs, including their potential to unwittingly telegraph that racial transition is underway, see RICHARD R. W. BROOKS & CAROL M. ROSE, *SAVING THE NEIGHBORHOOD* 193-202 (2013).

³⁰² *See, e.g.,* OAK PARK, ILL., VILLAGE CODE § 13-2-3 (2016) (banning "for sale" and "for rent" signs, with exceptions for new construction or conversions); *id.* § 13-2-3.1 (allowing open house signs on Sundays only, for periods of four hours or less); Jackson, *supra* note 299 (discussing Oak Park's informal enforcement mechanisms, including "a long-standing agreement" with local real estate agents).

monitoring online real estate listings, but they can hardly avoid noticing a fresh crop of “for sale” signs as they drive through the neighborhood. For the very same reason, banning signs impinges on the ordinary workings of the market. As a seller, one might wish to capture the attention not only of potential buyers who are actively searching for listings, but also those who might be willing to consider a move to the right property. Nonetheless, the sign ban arguably solved a collective action problem for residents that may have left even the sellers better off on balance than if it did not exist.

Even if this sort of information suppression could keep existing integrated neighborhoods from resegregating, it would do little to address existing segregation. Other forms of information suppression, such as hiding demographic data, might be expected to do more harm than good. At the same time, there might be room to encourage data aggregation and use tools that shield some forms of information from view while highlighting others.³⁰³ Another alternative is to raise the (implicit or explicit) price of obtaining certain kinds of information, or to subsidize choices made in the absence of that information. Some possibilities along these lines are discussed next.

2. Innovating in the Search Space

Although past information strategies offer some doctrinal guideposts, the affirmatively further mandate offers an opportunity for communities to pursue innovative new strategies in the search space—ones that might be capable of shaking up existing patterns and reducing reliance on racial proxies. At a meta-level, communities might find ways to incentivize integrative innovations in search technologies. Social impact bonds offer one tool for harnessing results-oriented policy ideas.³⁰⁴ These bonds make payoffs contingent on a grantee’s ability to deliver measurable results along a particular, verifiable metric—which here might mean reducing certain measures of segregation and achieving particular affirmative indicia of successful and stable integration.

Because housing patterns depend on complex interdependent patterns of behavior, there is a primary role for fostering new search norms and for developing new focal strategies to guide search. Apps and interactive tools might do this in a variety of ways at a variety of scales. Consider, for example, the possibility that a community could develop and popularize a free pro-integration housing search tool. Such an interface could build on a variety of the strategies discussed above, whether by suppressing certain kinds of

³⁰³ See, e.g., Strahilevitz, *supra* note 285, at 1711-13.

³⁰⁴ See, e.g., ANDREW PALMER, SMART MONEY 89-112 (2015); J.B. Wogan, *Can Social Impact Bonds Help Reduce Homelessness?*, GOVERNING: FINANCE (Sept. 8, 2015), <http://www.governing.com/topics/finance/gov-social-impact-bonds-help-santa-clara-county-reduce-homelessness.html> [<https://perma.cc/49E8-3MGM>]; Ronnie Horesh, *Injecting Incentives into the Solution of Social Problems: Social Policy Bonds*, 20 ECON. AFF. 39, 39 (2000); Hanna Azemati et al., *Social Impact Bonds: Lessons Learned So Far*, COMMUNITY DEV. INV. REV. (Fed. Reserve Bank of S.F.), Apr. 2013, at 32.

information, highlighting others, or simply introducing a certain amount of random perturbation into the results that it delivers.

Social scientists have used the notion of “simulated annealing” to capture the sorts of random mutations that may enable moves to higher valued equilibria.³⁰⁵ In the present context, introducing noise into search could prompt changes that would ultimately catalyze larger shifts from self-reinforcing housing patterns.³⁰⁶ Recent work on algorithms has similarly suggested that introducing randomness might help to break down past patterns infected by discrimination and avoid replicating disparities.³⁰⁷ For example, Joshua Kroll and his coauthors have suggested that a hiring algorithm might be set up to hire some candidates who fail to meet existing predictive criteria—and then track their performance to allow the algorithm to learn.³⁰⁸ In the housing context, a user might be prompted to input neighborhoods that she knows she would like to search within, and the app might automatically blend the results with those from similar neighborhoods with which she might be less familiar.³⁰⁹

Certain search tools might even enable a kind of “blind booking” model with respect to setting up appointments to see residential units.³¹⁰ Such an approach could allow the user to set detailed parameters about commuting times from employment and school locations, the specifics of the housing unit itself, and the nonprotected characteristics of neighbors. Apps and search tools

³⁰⁵ See Ken Kollman, John H. Miller & Scott E. Page, *Political Institutions and Sorting in a Tiebout Model*, 87 AM. ECON. REV. 977, 989 (1997) (“A minor mistake . . . can dislodge the system from a relatively bad local optimum, and induce agents to re-sort themselves into a better configuration.”).

³⁰⁶ See Richard R. W. Brooks, *The Banality of Racial Inequality*, 124 YALE L.J. 2626, 2655-61 (2015) (reviewing ROITHMAYR, *supra* note 5) (discussing Daria Roithmayr’s use of the Polya urn model to illustrate path dependence and explaining how introducing random variation into the urn-filling operation could break the pattern).

³⁰⁷ See Chander, *supra* note 64 (manuscript at 15-19 (discussing the use of “algorithmic affirmative action” to address discriminatory results); Kroll et al., *supra* note 64, at 683-84.

³⁰⁸ Kroll et al., *supra* note 64, at 684 (“By occasionally guessing about candidates for whom the model cannot make confident predictions, the model can gather additional data and evolve to become more faithful to the real world.”).

³⁰⁹ Cf. Eillie Anzilotti, *This Mapping App Is Designed for Urban Wanderers*, ATLANTIC CITYLAB: NAVIGATOR (Feb. 23, 2016), <http://www.citylab.com/navigator/2016/02/this-app-will-turn-you-into-an-urban-wanderer/470577/> [<https://perma.cc/G7QZ-AJLU>] (describing the Likeways wayfinding app that claims to consciously build in serendipity and take users on less traveled paths).

³¹⁰ Under these models, consumers commit to a particular expenditure, such as for a flight or a hotel, before learning exactly where they will be going or what they will be getting. See, e.g., Scott McCartney, *The Best Airline Bargains, If You Have a Taste for Adventure*, WALL STREET J. (Sept. 2, 2015, 1:18 PM), <http://www.wsj.com/articles/the-best-airline-bargains-if-you-have-a-taste-for-adventure-1441214282> [<https://perma.cc/8XMJ-485W>]; Susan Stellan, *Taking Some Mystery Out of Blind Booking*, N.Y. TIMES: GETAWAY (Mar. 28, 2013), http://www.nytimes.com/2013/03/31/travel/taking-some-mystery-out-of-blind-booking.html?_r=0 [<https://perma.cc/437T-KL7B>];

might also make use of certain kinds of information and not others, or require a separate “unmasking” step to consciously gain certain pieces of data about racial composition or the racial identity of counterparties (such as might be derived from pictures).³¹¹ It could become an act of social consciousness to choose search tools and settings that mask information that could, even unconsciously, lead to biased actions.³¹²

While this family of approaches would not be of interest to every homeseeker, tools for debiasing search could soften preconceived ideas about how one goes about finding a residence and change norms surrounding the search process.³¹³ By incentivizing the use of search technologies that consciously embed surprising results, law and policy could take a more active role in disrupting segregated housing patterns.

³¹¹ See, e.g., Chander, *supra* note 64, at 17-18 (discussing how Uber’s platform design structures the disclosure of passenger information). Similarly, Airbnb has recently announced changes aimed at countering discrimination on its platform, including reducing the emphasis placed on profile photos—although it is unclear how this de-emphasis will be implemented or whether it will meaningfully reduce bias. See Katie Benner, *Airbnb Adopts Rules to Fight Discrimination by Its Hosts*, N.Y. TIMES (Sept. 8, 2016), https://www.nytimes.com/2016/09/09/technology/airbnb-anti-discrimination-rules.html?_r=0 [<https://perma.cc/PX2A-GRDZ>]. The potential for racially identifiable information to generate biased results has been documented in a number of studies. See Edelman & Luca, *supra* note 193 (finding racial discrimination against Airbnb landlords based on profile photos); Jennifer L. Doleac & Luke C.D. Stein, *The Visible Hand: Race and Online Market Outcomes*, 123 ECON. J. F469 (2013) (finding racial discrimination in online sale of iPods based on hands visible in the image); Benjamin Edelman, Michael Luca & Dan Svirsky, *Racial Discrimination in the Sharing Economy*, 9 AM. ECON. J.: APPLIED ECON. (forthcoming 2017), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2701902 [<https://perma.cc/D6UV-46LK>] (finding that Airbnb guests with distinctively African American names had their requests rejected more often than guests with distinctively white names).

³¹² See EVIATAR ZERUBAVEL, *HIDDEN IN PLAIN SIGHT* 59-60 (2015) (discussing attentional norms including “norms of disattention” that involve conscious aversion of one’s gaze in certain settings and “attentional taboos” that call for avoidance of certain types of information in decisionmaking). In addition to masking information about others from one’s own view in order to reduce the risk of unconscious bias, norms might develop around suppressing information about oneself that could produce bias—even in one’s own favor. For example, one Airbnb user reported replacing her profile photo with a photo of a landscape in order to reduce bias against her. See Shankar Vedantam, *#AirbnbWhileBlack: How Hidden Bias Shapes the Sharing Economy*, NPR: HIDDEN BRAIN (Apr. 26, 2016, 12:10 AM), <http://www.npr.org/2016/04/26/475623339/-airbnbwhileblack-how-hidden-bias-shapes-the-sharing-economy> [<https://perma.cc/9VB3-QMKA>]. If large numbers of socially conscious Airbnb users did likewise, whether or not they anticipated being discriminated against, the lack of a personal photo would not convey any information about protected characteristics but would instead simply make a statement against discrimination.

³¹³ See *supra* note 259 and accompanying text.

3. Changing Stakes

If property value concerns are a significant driver of race-based homeseeking, then one approach might be to lower the stakes associated with property value changes. Ingrid Gould Ellen observes that pro-homeownership policies may entrench segregation, since data shows that homeowners are more sensitive than renters to racial composition.³¹⁴ Thus, a very basic move to support integration would be to alter the law's relative treatment of different tenure forms. Significantly, § 3608(d) of the FHA requires all federal agencies to cooperate with HUD in affirmatively furthering fair housing.³¹⁵ One way to do so would be to cut back on tax subsidies for homeownership.³¹⁶

Another stake-lowering approach might be to encourage rent-to-own alternatives. Not only does the available evidence indicate that homebuyers are more sensitive to neighborhood racial composition than renters, it also suggests that the decision to move in is more sensitive to neighborhood racial composition than the decision to move out.³¹⁷ These two facts considered in tandem suggest that considerable leverage might be provided by a “try it before you buy it” approach to location decisions.³¹⁸ Accordingly, encouraging

³¹⁴ See ELLEN, *supra* note 6, at 176; Freeman & Cai, *supra* note 7, at 313 (finding a “negative relationship between the homeownership rate and white invasion [of black neighborhoods]” and suggesting that this “is consistent with Ellen’s (2000) argument that white renters will be more comfortable taking the risk of moving into black neighborhoods because they have less at stake than owners”).

³¹⁵ 42 U.S.C. § 3608(d) (2012).

³¹⁶ There have been many calls to end the mortgage interest tax deduction, although such proposals are usually spurred by concerns about housing consumption distortions or distributive effects. For a recent review of the literature and discussion of some potentially offsetting effects on location choices, see generally David Albuoy & Andrew Hanson, *Are Houses Too Big or In the Wrong Place? Tax Benefits to Housing and Inefficiencies in Location and Consumption*, in 28 TAX POL’Y & THE ECON. 63 (Jeffrey R. Brown ed., 2014). There have also been some proposals to restrict the mortgage interest deduction to incentivize certain housing goals, including integration. See, e.g., JAMES W. LOEWEN, *SUNDOWN TOWNS: A HIDDEN DIMENSION OF AMERICAN RACISM* 443-45 (2005) (proposing that residents of segregated white towns be made ineligible for the mortgage interest deduction); NATALIE Y. MOORE, *THE SOUTH SIDE* 32 (2016) (recounting Dorothy Brown’s suggestion that the mortgage interest deduction be eliminated in neighborhoods that are not at least ten percent African American); Boger, *supra* note 3, at 1606-10 (proposing phase-outs of the mortgage interest deduction and property tax deduction for residents of communities that have failed to meet certain “fair share” housing targets). By applying penalties at the community level, however, these proposals run the risk of imposing costs not just on excluders but also on those who have overcome their exclusionary tactics, or who would wish to do so in the future. See Lee Anne Fennell, *Properties of Concentration*, 73 U. CHI. L. REV. 1227, 1273 n.154 (2006).

³¹⁷ See *supra* note 28 and accompanying text.

³¹⁸ For very short-term versions of the “try before you buy” model, see *infra* note 332 and accompanying text.

rent-to-own alternatives, through tax policy or otherwise, might be one way to affirmatively further fair housing.³¹⁹

Home equity insurance offers another possibility, one that has been written about extensively and attempted in at least a few communities.³²⁰ Here, the idea is to allow homeowners to offload some of the risk of property value decline to investors or insurers in the hope of reducing sensitivity to changes in the local area. Although typically raised in the context of stemming white flight or addressing NIMBYism, it could also support more integrative move-in decisions. White in-movers may avoid areas with relatively small minority populations if they fear that a dynamic process is underway that will transform the neighborhood into a largely minority one. Insuring against declines in home value that are not attributable to the homeowner's own decisions on her parcel could ease this fear.

Among the critiques of this approach is the idea that it is offensive to insure against racial change.³²¹ But a broad-based realigning of homeownership risk could also protect homeowners against many potential sources of home value change unrelated to neighborhood composition.³²² While I will not repeat here the arguments in favor of and against a reduced-risk version of homeownership, it should be noted that this represents one possible way of beginning to address the search gap—and one that would do so without limiting homeseeker choice. Here too, tax policy could play a primary role in encouraging more integration-friendly forms of tenure.

Explicit subsidies to encourage integrative moves represent another set of approaches; they lower the stakes by simply reducing the entry price. One version of this idea, a low-interest mortgage available only to households for whom a move will be pro-integrative, has been the subject of some past experimentation and analysis.³²³ The approach, as usually conceived, takes

³¹⁹ Of course, regulatory attention would be necessary to ensure that such alternatives did not feature predatory or unconscionable terms, as the recent resurgence of problematic "contract for deed" arrangements demonstrates. See Matthew Goldstein & Alexandra Stevenson, *'Contract for Deed' Lending Gets Federal Scrutiny*, N.Y. TIMES: DEALBOOK (May 10, 2016), https://www.nytimes.com/2016/05/11/business/dealbook/contract-for-deed-lending-gets-federal-scrutiny.html?_r=0 [<https://perma.cc/SF4Q-TEMN>].

³²⁰ See, e.g., ELLEN, *supra* note 6, at 163, 172-73; William A. Fischel, *An Economic History of Zoning and a Cure for its Exclusionary Effects*, 41 URB. STUD. 317, 335 (2004); Matityahu Marcus & Michael K. Taussig, *A Proposal for Government Insurance of Home Values Against Locational Risks*, 46 LAND ECON. 404, 408-12 (1970); Maureen A. McNamara, *The Legality and Efficacy of Homeowner's Equity Assurance: A Study of Oak Park, Illinois*, 78 NW. U. L. REV. 1463, 1468-69 (1984); Adam Yarmolinsky, *Reassuring the Small Homeowner*, 22 PUB. INT. 106, 106 (1971).

³²¹ See ELLEN, *supra* note 6, at 173.

³²² See generally Lee Anne Fennell, *Homeownership 2.0*, 102 NW. U. L. REV. 1047 (2008) (discussing such a broad-based approach as well as other past and proposed risk-reduction models).

³²³ See, e.g., ELLEN, *supra* note 6, at 168-69 (discussing several such programs and citing

explicit account of race: although the program is open to homebuyers of all races, whether a particular buyer will receive a subsidized mortgage for a particular home will depend on the race of that buyer and the racial composition of the neighborhood in which the home is located.³²⁴ Despite one favorable Attorney General opinion,³²⁵ such a race-conscious approach could raise constitutional and statutory red flags.³²⁶

related literature); Suja A. Thomas, *Efforts to Integrate Housing: The Legality of Mortgage-Incentive Programs*, 66 N.Y.U. L. REV. 940 (1991) (describing pro-integration mortgage programs adopted in Ohio and Wisconsin and analyzing the legality of such programs); *The Value of Integration*, NAT'L HOUS. INST. (Mar./Apr. 2001), <http://www.shelterforce.com/online/issues/116/PRISM.html> [<https://perma.cc/R8V9-EZQX>] (describing the South Orange/Maplewood [New Jersey] Community Coalition on Race's Pro-Integrative Supplemental Money (PRISM) program, which offers below market loans to homebuyers entering "an area where they are racially under-represented"); see also W. DENNIS KEATING, *THE SUBURBAN RACIAL DILEMMA* 202-10 (1994) (discussing pro-integrative mortgage incentive programs and the results of a study evaluating four of the programs in Cuyahoga County); Mittie Olion Chandler, *Obstacles to Housing Integration Program Efforts*, in *THE METROPOLIS IN BLACK & WHITE* 286, 292-97 (George C. Galster & Edward W. Hill eds., 1992) (providing a case study of Ohio's program and describing other similar efforts); HOWARD HUSOCK, "INTEGRATION INCENTIVES" IN SUBURBAN CLEVELAND (Kennedy Sch. of Gov't, Harvard Univ., Case No. C16-89-877.0, 1989), <http://case.hks.harvard.edu/integration-incentives-in-suburban-cleveland/> [<https://perma.cc/RL2S-RY3E>] (providing a detailed case study of Ohio's program in suburban Cleveland); Brian A. Cromwell, *Prointegrative Subsidies and Their Effect on Housing Markets: Do Race-Based Loans Work?* (Cleveland Fed. Reserve Bank, Working Paper No. 9018, 1990), <https://www.clevelandfed.org/en/newsroom-and-events/publications/working-papers/working-papers-archives/1990-working-papers/wp-9018-prointegrative-subsidies-and-their-effect-on-housing-markets-do-race-based-loans-work.aspx> [<https://perma.cc/6K94-QL4J>] (analyzing the impact of Ohio's mortgage program in Shaker Heights).

³²⁴ See Thomas, *supra* note 323, at 950. Defining what counts as pro-integrative is a primary design challenge. Programs must select benchmarks such as the overall composition of a city or metropolitan area, and then determine how far from those benchmarks qualifying communities must be in order for households moving into them to collect subsidies for making progress toward those benchmarks. See *id.* at 944-52 (describing the program details of the Ohio Housing Finance Agency's pro-integration mortgage assistance program and Wisconsin's Alternative Financing for Opening Residential Doors (AFFORD) program, and assessing a hypothetical mortgage subsidy program).

³²⁵ Ohio Attorney General Anthony J. Celebreeze, Jr. issued an opinion in 1987 concluding that the Ohio Housing Finance Agency's (OHFA) pro-integration loan program was a legally acceptable temporary measure to advance the legitimate state goal of integration. Op. Ohio Att'y Gen. 87-095 (1987) (finding OHFA's pro-integration mortgage program did not violate antidiscrimination law or the equal protection clause in the United States or Ohio constitutions). Celebreeze reached his conclusion on the constitutional issue by applying rational basis review, based on his view that the loan program did not classify based on race, but rather only on one's attitude toward integration. *Id.* at 629-30. *But see* Thomas, *supra* note 323, at 964-65 (suggesting Celebreeze improperly applied rational basis

One alternative might be to define qualifying moves based not on the buyer's race, but rather her previous residence: a buyer could qualify for a low-cost mortgage if a race that was significantly underrepresented in her old neighborhood has significantly greater representation in her new neighborhood.³²⁷ A program using these criteria would serve the race-neutral goal of shaking up established search patterns and encouraging people of all races to experiment with living in neighborhoods that are significantly different from the ones to which they have become accustomed.³²⁸ Such an approach might be coupled with additional community-level subsidies, granted (or withheld) annually, to residents in neighborhoods that achieve and maintain a certain level of integration.³²⁹ Giving everyone in the community a stake in integration could assist other affirmative marketing and informational

review).

³²⁶ Analysis of these legal issues is beyond the scope of this Article, but would likely focus on whether the pro-integration goal and availability to all would be sufficient to overcome the race-consciousness baked into the program. Thomas, *supra* note 323, is the most extensive legal analysis of the issue of which I am aware. While she concludes that a well-designed program could survive statutory and constitutional challenges, *see id.* at 961-78, her analysis hinges on a court's willingness to apply intermediate scrutiny to the program, as well as on a certain degree of openness to race-based remedies. Thomas's analysis, like all of the other research that I could locate on integrative mortgage subsidies, is now decades old and cannot account for more recent legal developments involving race-based remedies.

³²⁷ Definitional questions abound (e.g., how much underrepresentation is required in the old neighborhood, and how much greater must the representation be in the new neighborhood?). But these questions should be no more difficult to address in this context than under programs that explicitly rely on the race of the purchaser. To prevent gaming, homebuyers might be required to identify a past residence at which they had lived, say, two of the last five years, with multiple past residences aggregated in some fashion if necessary. To avoid cascades producing resegregation, the receiving neighborhood's composition could be assessed in a manner that would take account of other people currently in the process of purchasing homes there, and neighborhoods could be removed from the program once certain integration targets were reached or if turnover rates exceeded particular levels.

³²⁸ Given entrenched segregation, certain racial groups would qualify at greater rates for subsidized loans to move into particular neighborhoods (while other racial groups would qualify at greater rates for moves to different neighborhoods). But this effect would likely survive a disparate impact challenge given its capacity to advance the important governmental purpose of integration. Disparate impact analysis should, however, inform and shape the program details to ensure that low-cost loans are not, in the aggregate, disproportionately flowing to one racial group rather than another. This has been a concern with past pro-integrative mortgage programs. *See, e.g.,* Chandler, *supra* note 323, at 294 (noting opposition to the Ohio program from a number of organizations alleging that choice was being limited for black buyers while benefits flowed primarily to white buyers).

³²⁹ Combining strategies could avoid any perceived unfairness associated with granting subsidies to people coming from initially segregated environments, and also remove perverse incentives to alter one's neighborhood environment to qualify residents for mortgage subsidies for future moves.

strategies by encouraging a wider dispersal of information about available units.

Some of the highest stakes for homeseekers may be nonfinancial in nature. White families with children appear more sensitive to neighborhood racial composition than those without children.³³⁰ To the extent this pattern is driven by concerns about schools, in-kind subsidies to those locating in integrated neighborhoods might take the form of priority in school choice plans.³³¹ More broadly, finding ways to encourage temporary entry into unfamiliar communities could spur valuable learning. Here, it is interesting to consider the ways in which new business models like Airbnb have enabled people to gain familiarity with neighborhoods in a low-stakes way.³³² Well-designed adaptations could enable families to gain first-hand familiarity with different areas within a city.

Of course, any of these approaches would introduce difficult design issues. My point here is not to advocate for any particular policy but rather to suggest the need for, and potential traction of, creative thinking around the issue of housing search.

CONCLUSION

Our fair housing laws express a normative commitment: that race will not influence one's housing opportunities, and that one's life chances will not be

³³⁰ See, e.g., ELLEN *supra* note 6, at 127-28, 142, 154; Emerson, Chai & Yancey, *supra* note 69, at 930.

³³¹ For an interesting proposal along these lines, see A. Mechele Dickerson, *Caught in the Trap: Pricing Racial Housing Preferences*, 103 MICH. L. REV. 1273 (2005) (reviewing ELIZABETH WARREN & AMELIA WARREN TYAGI, *THE TWO-INCOME TRAP* (2003)).

³³² See, e.g., David Roberts, *Our Year of Living Airbnb*, N.Y. TIMES (Nov. 25, 2015), http://www.nytimes.com/2015/11/29/realestate/our-year-of-living-airbnb.html?_r=0 [<https://perma.cc/D8A9-WGEP>] (chronicling a year of living for one-month stretches in a series of Airbnb rentals throughout New York in an effort to gain more familiarity with various neighborhoods); see also Lee Chilcote, *How One Couple Turned a "Toxic Corner" of Cleveland into a Development Hotbed*, VANITY FAIR (Sept. 30, 2015), <http://www.vanityfair.com/culture/2015/09/hingetown-neighborhood-cleveland> [<https://perma.cc/B8GU-GRHL>] (describing a couple's redevelopment efforts in an area of Cleveland they dubbed "Hingetown," "including a full-time Airbnb unit they use to show off the neighborhood"). Perhaps recognizing this potential, Airbnb launched a "live like a local" partnership with Realtor.com in 2015 to enable people to live in neighborhoods they were considering purchasing in. See NAT'L ASS'N OF REALTORS, *Airbnb, Realtor.com Team Up*, DAILY REAL ESTATE NEWS (June 23, 2015) <http://realtormag.realtor.org/daily-news/2015/06/24/airbnb-realtorcom-team-up> [<https://perma.cc/TC7G-Q4MF>]. Although it is unclear if this feature is still in operation or what its level of success may have been, a more recent initiative, Realstir, offers a platform through which homesellers can make their properties available to potential buyers on a trial basis. *Want to Learn More About Try Before You Buy?*, REALSTIR, <https://www.realstir.com/tbyb-center.php> [<https://perma.cc/7PXN-2NGN>] (last visited Dec. 5, 2016).

arbitrarily limited by residential racial segregation. Recent events have shown a renewed willingness to deliver on that promise. In *Inclusive Communities*, the Supreme Court not only recognized a disparate impact cause of action in the FHA, but also reaffirmed that integration remains a continuing goal of the Act.³³³ With a new final rule, HUD has taken concerted action to pour meaningful content into the FHA's affirmatively further mandate.³³⁴ The time is ripe to consider what the future of fair housing should look like. That future, I suggest, should include more careful attention to housing search.

Homeseeking bias currently interposes a gap between the rights that fair housing law aspires to extend to all households and the liability that it generates for actors who interfere with those rights. Because biased search represents a form of intentional discrimination that can powerfully entrench segregation, leaving it unaddressed requires some justification. Ignoring search means shifting costs somewhere else—either to those who lose out as a result of these cumulative search patterns, or to some other actors that the law will hold to account.

This Article presents a two-pronged approach to the search gap. First, we should not accept at face value the conventional view that the conduct of homeseekers is untouchable. While there are good normative reasons to avoid intruding into the ultimate decisions that homeseekers make, this does not mean that all facets of homeseeking should be exempted from scrutiny. Second, to the extent that we cannot or will not reach discriminatory homeseeking, the gap that it produces requires something more of other actors than the bare duty not to intentionally discriminate. Both the disparate impact cause of action and the affirmatively further mandate provide legal hooks for shifting the costs associated with biased search onto parties who are in a position to bear or mitigate those costs.

Discriminatory search is, of course, only one source of the overall gap between expressed rights and enforced duties in the fair housing domain. This Article's deep conceptual and doctrinal dive into search has necessarily left unaddressed many other contributors to segregation and, more broadly, to social inequities associated with residential patterns.³³⁵ The analysis here thus addresses only one piece of a large and difficult puzzle—but it is an important piece, and one that should no longer be neglected. Allowing the costs of biased

³³³ Tex. Dep't of Hous. & Cmty. Affairs v. *Inclusive Cmty. Project, Inc.*, 135 S. Ct. 2507, 2525-26 (2015).

³³⁴ *Affirmatively Furthering Fair Housing*, 80 Fed. Reg. 42,272 (July 16, 2015) (to be codified at 24 C.F.R. pts. 5, 91, 92, 570, 574, 576 & 903).

³³⁵ See generally Raj Chetty, Nathaniel Hendren & Lawrence F. Katz, *The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment*, 106 AM. ECON. REV. 855 (2016); Tama Leventhal, Véronique Dupéré & Elizabeth A. Shuey, *Children in Neighborhoods*, in 4 HANDBOOK OF CHILD PSYCHOLOGY AND DEVELOPMENTAL SCIENCE 493 (Marc H. Bornstein & Tama Leventhal eds., 7th ed. 2015) (reviewing the literature on links between children's neighborhood environments and life outcomes).

homeseeking to fall unabated on minority households and communities is not consistent with the promise of fair housing. We must search for better alternatives.