



NEW YORK STATE SENATOR

Brian Kavanagh

## Governor Hochul Signs Legislative Package to Combat Housing Discrimination

BRIAN KAVANAGH December 22, 2021

| ISSUE: **FAIR HOUSING; CONSUMER PROTECTION; CIVIL RIGHTS; FIGHTING RACISM; LONG ISLAND**

| COMMITTEE: **HOUSING, CONSTRUCTION AND COMMUNITY DEVELOPMENT**

Governor Kathy Hochul today signed a sweeping legislative package that included nine different bills to combat housing discrimination. This legislative package addresses many of the issues identified in an expose by Newsday, "Long Island Divided", which explored discrimination and both explicit and implicit bias that exists in the real estate industry.

"For too long, the dream of owning a home has been out of reach for too many New Yorkers because of discrimination and bigotry," **said Governor Hochul.** "When intrepid investigative journalists uncovered housing discrimination in New York, we took action to end this unacceptable practice. I'm proud to sign strong new laws expanding access to fair housing and allowing more New Yorkers to achieve the American dream of owning their homes."

The centerpiece of the legislation is the Anti-Discrimination in Housing Fund that will permit the state to conduct fair housing testing. New efforts also range from increasing training and raising the maximum fines for misconduct by real estate brokers and salespersons, to emphasizing that all state and local agencies that administer state housing programs have an obligation to "affirmatively further fair housing." These new bills, passed

thanks to the efforts of Senate Housing Committee Chair Brian Kavanagh and Assembly Housing Committee Chair Steven Cymbrowitz, will ensure the real estate workforce is well versed in fair housing practices, and that the new fund is sufficiently resourced to carry out its intended purpose.

### **Creation of the Anti-Discrimination in Housing Fund, Increasing Fines and Adding a Surcharge to Licensing Fees**

Legislation (S.945-B/A.6866) establishes an Anti-Discrimination in Housing Fund, a portion of which will be supported by fines collected for violations of anti-discrimination sections of the real property law. This bill increases the fine ceiling from \$1,000 to \$2,000 and then diverts 50 percent of the revenue from these fines to the Anti-Discrimination in Housing Fund. This fund will be available to the Office of the Attorney General for fair housing testing who will allocate grants to various government and non-governmental entities specializing in anti-housing discrimination.

**Senator Jim Gaughran said,** “Long Island's housing market reveals a long ugly history of racism, discrimination, and redlining. This legislation will help fund the critical work of identifying and stopping discrimination in the housing market -- by establishing a fund devoted solely to these efforts. I thank my partner, Assemblymember Kim Jean-Pierre, for her efforts in passing these bills, and to Governor Hochul for signing them into law.”

**Assemblymember Kimberly Jean-Pierre said,** “It is unconscionable to think that in 2021, prospective homeowners are still facing housing discrimination because of the color of their skin, but here in New York, we are taking strong action to root out this harmful conduct once and for all. By toughening penalties against bad actors, funding paired testing efforts, enhancing cultural competency training requirements and providing more resources to homebuyers, we are ensuring that every New Yorker has the right to choose where they want to live and build a better future for their family. I applaud and thank Governor Hochul

for signing this package of bills into law and look forward to continuing this important work together.”

Legislation (S.2133-A/A.5363) adds a surcharge to licensing and re-licensing fees for real estate brokers and salespersons to be used for statewide fair housing efforts. The surcharge, an additional \$30 for brokers and an additional \$10 for salespersons, will be deposited into the Anti-Discrimination in Housing Fund for fair housing testing efforts. Discrimination can often happen in subtle manners that aren’t obvious, making fair housing testing important to identifying issues of discrimination.

**Senator James Skoufis said**, “Following Newsday's 2019 exposé on housing discrimination, my colleagues and I opened a year-long investigation into predatory practices in real estate. We held multiple joint hearings, issued twenty-five subpoenas to compel uncooperative realtors and their firms to testify, and ultimately produced a wide-ranging investigative report with many legislative recommendations to tighten regulation of this often abusive industry. By signing this package of fair housing bills, Governor Hochul is sending a clear message to housing interests across New York that all homebuyers deserve to be treated with dignity and fairness. I thank my fellow committee chairs for their collaboration throughout the investigative process as well as the Governor for her steadfast commitment to what's right. State government has the tools to enact real, tangible solutions for New York's consumers, and we must continue to tackle these issues head-on.”

### **State and Local Agencies have an Obligation to Fair Housing**

Legislation (S.1353-A/A.5428-A) requires all state and local agencies administering housing programs or enforcing housing laws that receive state funding to affirmatively further fair housing. Agencies must take meaningful steps to further fair housing. Pursuant to an agreement with the legislature, the Commissioner must report significant steps taken to in

line with this obligation every five years, with interim reporting in year two and year four. By creating an obligation to affirmatively further fair housing for all state agencies and localities administering housing-related programs, we ensure not only that New York will no longer participate in harmful, discriminatory practices but that the state will actively seek to create more diverse, inclusive communities.

**Senator Brian P. Kavanagh, Chair of the Housing, Construction and Community Development Committee, said,** “Communities across New York are still deeply affected by decades of systemic inequality and racism in housing, through redlining, disinvestment, and overt discrimination by those committed to promoting segregation. While many of the most pernicious practices have long been illegal, it is clear that discriminatory behavior persists and that we have not done nearly enough to affirmatively promote equality, fairness, and integration in housing. I am proud of the work the Senate has done in the past two years that culminates in this legislative package. I want to thank Governor Kathy Hochul for her commitment to justice, which she is demonstrating once again by signing these bills into law. I also thank Senators James Skoufis and Kevin Thomas, whom I was proud to join in co-chairing our hearings, Senate Leader Andrea Stewart-Cousins, who charged us with investigating discrimination and proposing solutions, Senators Anna Kaplan and Jim Gaughran for sponsoring key bills in the package, our Assembly colleagues for joining us in this essential work, Attorney General Letitia James for her role in shaping the package, the many organizations and individuals who shared ideas and concerns--especially those who have been on the ground in our communities fighting discrimination for many years--and Newsday for their inspiring investigative journalism. We have a lot more to do, but it is my hope that these new laws will help usher in an era of equity and justice for homebuyers and renters, and transparency and accountability in the housing industry, for the benefit of all of our communities.”

**Assemblymember Steven Cymbrowitz, Chair of the Housing, Construction and Community Development Committee, said,** “Communities across our state are still feeling the devastating effects of decades-long discriminatory practices including redlining and disinvestment. By creating an obligation to affirmatively further fair housing for all state agencies and localities administering housing-related programs and laws, we will ensure not only that New York will no longer participate in harmful, discriminatory practices but that the state will actively seek to create more diverse and inclusive communities.”

### **Increases Required Trainings for Real Estate Professionals Relating to Fair Housing**

Legislation (S.2132-B/A.5359) increases required trainings for real estate professionals, particularly trainings related to fair housing. Trainings are required to include but are not limited to courses on:

- The legacy of segregation, unequal treatment, and historic lack of access to housing opportunities
- Unequal access to amenities and resources on the basis of race, disability and other protected characteristics
- Federal, state, and local fair housing laws
- Anti-bias training

This bill is designed to prevent the unequal treatment of minority homebuyers by increasing overall instructional training as well as instructional training pertaining to fair housing and discrimination in the real estate industry.

**Assemblymember Catalina Cruz said,** “Homeownership is the primary vehicle for building family wealth. Removing barriers and outlawing practices that hinder access to buying a home is essential. It is unthinkable that, in the present day, New Yorkers are denied housing opportunities because of these biased and damaging practices. I thank Governor Hochul for

signing my bill into law, and look forward to working with her on advancing fair and equitable housing standards statewide.”

### **Requires Implicit Bias Training for Real Estate Brokers or Salespersons**

Legislation (S.538-B/S.4638-A) requires an additional two hours of training relating to implicit bias for real estate brokers and salespersons as part of their license renewal process. During investigations into the issues brought to light by “Long Island Divided”, it became apparent that many real estate professionals were unaware of the impact implicit bias could have in their industry. This bill ensures that all real estate professionals are made aware of how harmful implicit bias can be and how to ensure they follow fair housing guidelines.

**Senator Anna M. Kaplan said**, “Newsday’s “Long Island Divided” investigation series made it very clear that we have a problem on Long Island when it comes to the unequal treatment of minority homebuyers, and better training for real estate professionals must be part of the solution. By training real estate salespeople to understand their own implicit biases, and helping them to rise above them, we can ensure that the American Dream of homeownership is protected for all Long Island families. I’m grateful for Newsday’s role in documenting the extent of the problem facing our community, and I’m thankful for Governor Kathy Hochul’s leadership to deliver opportunity for all New York families.”

**Assemblymember Gina L. Sillitti said**, “Following the release of a disturbing 2019 Newsday report that documented widespread housing discrimination faced by Black, Hispanic and Asian Long Islanders seeking to buy a home, it’s critical that we take action to address this appallingly unfair treatment. To better ensure real estate agents are following the letter and spirit of anti-discrimination laws, I sponsored and passed legislation to require brokers and salespeople to undergo at least two hours of implicit bias training as part of the license renewal process. This new programming will complement the minimum of three hours of

instruction that real estate agents are already required to receive on fair housing and discrimination. In addition to Newsday's stellar reporting, the impetus for this legislation was a 2020 state hearing with brokers identified in the Newsday piece who indicated that they were unaware how impact bias could affect their profession. I want to thank Gov. Hochul for signing this critical legislation into law and helping us tackle the discriminatory treatment faced far too often by New Yorkers of color."

### **Requires Cultural Competency Training for Real Estate Brokers or Salespersons**

Legislation (S.979-A/A.844-A) requires that coursework on cultural competency be included in the curriculum for real estate broker and salesperson license qualification, and requires an additional two hours of training for real estate professionals in comprehensive cultural competency prior to renewing broker or salesperson licenses. This will help decrease discrimination in the real estate industry, and further educate real estate professionals to ensure they follow fair housing practices.

### **Requiring Standardized Intake Procedures for Real Estate Professionals**

Legislation (S.2131-A/A.6186) requires standardized client intake procedures for real estate brokers and allows for a penalty to be imposed on any real estate broker or salesperson who fails to comply. Pursuant to an agreement with the legislature, real estate professionals must post and maintain their standardized operating procedures at their offices for inspection by the Department of State and the public. This allows for client intake procedures to be monitored and standardized, preventing discriminatory practices.

**Assemblymember Judy Griffin said,** "It is vital that people are treated equally and fairly when purchasing a home. For far too long there have been inequalities in this process on Long Island and throughout New York State. I thank Governor Hochul for signing this bill today since it will ensure that homebuyers are not discriminated against."

## **Requires Associate Brokers Serving as Office Managers to Supervise Other Real Estate Professionals**

Legislation (S.2157-A/A.6355) requires associate real estate brokers who serve as office managers to supervise other real estate professionals in their office. Office managers must have been active in the real estate industry two of the four years before beginning duties as office manager. Real estate brokers are responsible for maintaining and supervising their place of business, unlike associate brokers who have the same licensing but have chosen to work under the supervision of another broker. This legislation clarifies the required level of supervision and strengthens existing Department of State regulations. In addition, the legislation specifies the length of time an associate broker is required to work prior to becoming an office manager and will therefore ensure offices are appropriately supervised by experienced real estate professionals.

**Senator Kevin Thomas said,** “Fair housing is a right shared by all New Yorkers. What Newsday uncovered in their 2019 investigation was eye-opening, tangible evidence of unequal treatment, steering, and bias directed at minority homebuyers and minority communities on Long Island. In response, I introduced new legislation that will provide much-needed oversight and accountability measures for real estate brokers, as well as increased penalties for violations of fair housing and human rights laws. I thank Governor Hochul for signing this important measure into law and sending the message loud and clear: Discrimination has no place in our communities.”

**Assemblymember Michaelle C. Solages said,** “Discrimination in housing has evolved into a more subtle and covert practice that is becoming more difficult to enforce. This is partly because of the need for more transparency and accountability in the industry as a whole. To that end, Assembly Bill A.6355 helps to ensure proper oversight over real estate agents irrespective of whether they are working out of a broker’s principal place of business or in a branch office



under an office manager. I am proud to partner with Senator Thomas on this accountability measure, and I thank Governor Hochul for signing this bill into law.”

### **Creating a Telephone Line for Housing Discrimination Complaints**

Legislation (S.3437-C/A.2300-C) establishes a dedicated telephone line for housing discrimination complaints. This telephone line will be run by the Division of Human Rights and will provide assistance to those experiencing housing discrimination. This will create a more efficient process for reporting incidents of housing discrimination.