

SUPREME COURT OF THE UNITED STATES

Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.

576 U.S. 519 (2015) · No. 13-1371 · Decided June 25, 2015

SUMMARY

The Supreme Court held that disparate-impact claims are cognizable under the Fair Housing Act. The Court explained that such liability is subject to important limits, including a robust causality requirement and consideration of whether a less discriminatory alternative would serve the defendant's legitimate interests. The Court affirmed and remanded the Fifth Circuit's decision concerning a challenge to Texas's allocation of low-income housing tax credits.

CASE DETAILS

COURT	Supreme Court of the United States
WRITING FOR THE COURT	Justice Kennedy; Justice Ginsburg; Justice Breyer; Justice Sotomayor; Justice Kagan; Chief Justice Roberts; Justice Scalia; Justice Thomas; Justice Alito
JURISDICTION	Federal
DECIDED	June 25, 2015
DOCKET	13-1371
DISPOSITION	affirmed_and_remanded
PROCEDURAL POSTURE	The Texas Department petitioned for certiorari from a Fifth Circuit decision holding that disparate-impact claims are cognizable under the Fair Housing Act and reversing and remanding the district court's merits ruling.
STANDARD OF REVIEW	Statutory interpretation; review of the legal framework governing FHA disparate-impact claims.
PRECEDENTIAL VALUE	binding
PARTIES	Texas Department of Housing and Community Affairs, Texas Department of Housing and Community Affairs officers v. Inclusive Communities Project, Inc.

TOPICS

civil rights

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PRACTICE AREAS

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fair housing

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QUESTIONS PRESENTED

1. Whether disparate-impact claims are cognizable under §§ 804(a) and 805(a) of the Fair Housing Act.
2. What limitations and burden-shifting requirements govern FHA disparate-impact claims.
3. Whether a plaintiff must identify a specific policy causing the alleged disparity and demonstrate a robust causal connection.
4. What constitutional and remedial limitations apply when liability is imposed under an FHA disparate-impact theory.

HOLDINGS

1. The Fair Housing Act authorizes disparate-impact claims under §§ 804(a) and 805(a).
2. A plaintiff asserting FHA disparate-impact liability must identify a specific policy or policies causing the alleged statistical disparity and establish a robust causal connection; racial imbalance alone is insufficient.
3. After a plaintiff establishes a prima facie disparate-impact case, the defendant may justify the challenged practice by proving that it is necessary to achieve a valid interest; the plaintiff may then prevail by showing that the interest could be served by another practice with a less discriminatory effect.
4. Remedial orders in FHA disparate-impact cases must be consistent with the Constitution and should concentrate on eliminating the offending practice through race-neutral means; racial targets or quotas may raise serious constitutional questions.

KEY QUOTATIONS

“A disparate-impact claim relying on a statistical disparity must fail if the plaintiff cannot point to a defendant’s policy or policies causing that disparity.” (576 U.S. at 534)

“The FHA is not an instrument to force housing authorities to reorder their priorities.” (576 U.S. at 539)

“A robust causality requirement ensures that “[r]acial imbalance . . . does not, without more, establish a prima facie case of disparate impact.”” (576 U.S. at 540)

“A plaintiff who fails to allege facts at the pleading stage or produce statistical evidence demonstrating a causal connection cannot make out a prima facie case of disparate impact.” (576 U.S. at 541)

FACTUAL BACKGROUND

The Federal Government provides low-income housing tax credits that Texas distributes through the Texas Department of Housing and Community Affairs. Inclusive Communities Project alleged that the Department allocated disproportionately many credits to predominantly Black inner-city areas and disproportionately few to

predominantly white suburban areas, thereby perpetuating segregated housing patterns. The district court relied on statistical evidence, found a prima facie disparate-impact showing, and ruled for ICP after determining that the Department had not shown the absence of less discriminatory alternatives.

PROCEDURAL HISTORY

Inclusive Communities Project sued the Texas Department of Housing and Community Affairs in the Northern District of Texas under §§ 804(a) and 805(a) of the Fair Housing Act, alleging that the Department's allocation of low-income housing tax credits perpetuated segregated housing patterns. The district court found a prima facie disparate-impact case and ruled for ICP after placing on the Department the burden to prove that no less discriminatory alternatives existed. The Fifth Circuit held that FHA disparate-impact claims are cognizable but reversed and remanded because the district court applied the wrong burden-shifting approach. The Supreme Court affirmed and remanded for further proceedings.

DISPOSITION

affirmed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for further proceedings consistent with the opinion, including application of the proper disparate-impact framework, careful examination of whether ICP established a prima facie case and robust causal connection, and consideration of whether federal law substantially limited the Department's discretion.

CASES CITED

- Griggs v. Duke Power Co., 401 U.S. 424 (1971)
- Smith v. City of Jackson, 544 U.S. 228 (2005)
- Ricci v. DeStefano, 557 U.S. 557 (2009)
- United States v. Giles, 300 U.S. 41 (1937)
- Huntington v. Huntington Branch, NAACP, 488 U.S. 15 (1988) (per curiam)
- Wards Cove Packing Co. v. Atonio, 490 U.S. 642 (1989)
- Shelley v. Kraemer, 334 U.S. 1 (1948)
- Buchanan v. Warley, 245 U.S. 60 (1917)
- Richmond v. J. A. Croson Co., 488 U.S. 469 (1989)
- Parents Involved in Community Schools v. Seattle School Dist. No. 1, 551 U.S. 701 (2007)
- Gallagher v. Magner, 619 F.3d 823 (8th Cir. 2010)
- Board of Education of City School District of New York v. Harris, 444 U.S. 130 (1979)