CITY OF LONG BEACH

**Office of the City Manager**
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**February 13, 2026**

Regulations Division
Office of the General Counsel
Department of Housing and Urban Development
451 Seventh Street SW, Room 10276
Washington, DC 20410-0500

**RE: HUD's Implementation of the Fair Housing Act's Disparate Impact Standard, Docket No. FR–6540–P–01, RIN 2529–AB09**

Dear Office of the General Counsel,

On behalf of the City of Long Beach (City), this comment is provided in opposition to the U.S. Department of Housing and Urban Development's (HUD) Notice of Proposed Rulemaking (Notice) regarding the removal of HUD's Fair Housing Act's (FHA) discriminatory effects regulations from the Code of Federal Regulations, which would significantly weaken enforcement of the Fair Housing Act's disparate impact protections.

The City firmly believes that every resident deserves to have access to housing without facing unfair discrimination. This is equally true whether that discrimination takes the form of disparate treatment based on a protected class, or whether it is manifested in hidden, sometimes subtle forms of discrimination. For the past 50 years, the existing disparate impact standard has been a vital tool to ensure that the local housing market operates in a manner that is free from discrimination, including discrimination based on religion, disability, sexual orientation, gender identity, national origin, and/or other protected class characteristics.

The City strongly opposes HUD's proposed removal of its discriminatory effects regulations. Maintaining HUD's clear articulation of the disparate impact standard in the current regulations; fully investigating all HUD-filed complaints which allege disparate impact discrimination; and adhering to Supreme Court, and other judicial precedent, are vitally important to the City's efforts to address housing discrimination. HUD's departure from long-standing precedent confirming that disparate impact is part of the Fair Housing Act makes it more difficult for the City and residents to challenge policies and practices that appear neutral on their face but are unjustified and have a disparate impact on the basis of protected class.

The current rule,[1] as well as HUD's enforcement of it, has been critical for challenging a wide range of discriminatory housing policies that prevent fair access to housing. The City's fair housing provider, the Fair Housing Foundation (FHF), is a non-profit, educational agency

[1] 24 C.F.R. § 100.500.

dedicated to promoting the enforcement of fair housing laws. From October 2024 - September 2025, FHF provided services to 1,468 clients, representing people of all racial and ethnic backgrounds, income levels, and members of special groups such as seniors, people with disabilities, Veterans, and female heads of household. FHF assisted 256 clients with fair housing allegations and opened 82 fair housing cases based on these complaints, 87% of which were related to source of income discrimination. The disparate impact rule provides a tool for organizations like the FHF to investigate claims impacting the most vulnerable communities and to identify discriminatory practices that are facially neutral.

Additionally, the disparate impact standard has been crucial for challenging the failure of financial institutions to lend in communities of color, their use of predatory marketing schemes, and the targeting Black and Latino households for riskier mortgage loans. In addition to the harm that discrimination inflicts upon residents, cities like Long Beach also suffer from discrimination in the housing market that perpetuates segregation, as well as the increased blight and foreclosure that results when redlining limits available credit in some neighborhoods or when predatory loans go into default. The disparate impact standard provides the City with a pathway to protect communities from those whose drive for profit comes at the expense of underserved consumers and communities.

The City has a strong interest in protecting residents' ability to access housing and lending, free from discrimination. By maintaining the current disparate impact rule without changes, HUD could ensure that cities like Long Beach can more effectively challenge discriminatory policies and practices in the housing market. The proposed changes, as well as HUD's reduced enforcement posture, would actively hinder the City's ability to do so.

The City strongly urges HUD to withdraw its Notice and instead to fully enforce the Act in accordance with the law, to remove arbitrary, unnecessary, and discriminatory barriers to housing choice that communities around the country continue to experience. Thank you for the opportunity to comment. Please contact Sarah Patterson, Manager of Government Affairs, at Sarah.Patterson@longbeach.gov for any questions or further information regarding these comments.

Sincerely,

THOMAS B. MODICA
City Manager