

NEWS ADVISORY
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Federal Judge Denies Request to Halt WA Program that Addresses Racial Disparities in Homeownership

SEATTLE, WA—A federal judge this week denied a request to block Washington’s Covenant Homeownership Program, ruling in favor of Pacifica’s client, the Washington State Housing Finance Commission (WSHFC), in a constitutional challenge to the program.

The lawsuit challenges the Covenant Homeownership Program, a special purpose credit program designed to reduce the racial disparity in homeownership caused by the State’s participation in discriminatory practices such as redlining, racially restrictive covenants, and other forms of housing discrimination. The Washington State legislature created the program in 2023, and WSHFC administers it. Since its launch in 2024, the program has provided down payment and closing cost assistance to more than 1,100 first-time homebuyers whose families were denied homeownership opportunities because of their race.

The lawsuit was brought against WSHFC Executive Director Steve Walker by the Foundation Against Intolerance and Racism (FAIR), an anti-diversity, equity, and inclusion nonprofit. The organization alleged that the program violates the Equal Protection Clause of the Fourteenth Amendment and sought a preliminary injunction to halt the program.

U.S. District Judge John H. Chun denied FAIR’s motion for preliminary injunction, ruling that FAIR is unlikely to succeed on the merits its Equal Protection claim. Judge Chun relied on a study, commissioned by WSHFC, in finding that the State has a compelling interest in addressing racial disparities in homeownership. He explained that the State actively and passively participated in specific acts of racial discrimination, including racially restrictive covenants, exclusionary zoning, government takings, and more, as documented in the study. He further found that these acts resulted in the present-day racial disparities in homeownership. “The statistical evidence of discrimination is stark,” Judge Chun wrote. Judge Chun also rejected FAIR’s argument that their members had suffered irreparable harm because they were excluded from the program. “There are many other state-sponsored first-time homebuying programs for which [FAIR’s members] would be eligible,” Judge Chun wrote.

Pacifica will continue to defend this ground-breaking program in the lawsuit. To learn more about the program, the study, and other homebuyer assistance programs, please visit WSHFC's [website](#).

The Pacifica litigation team representing Walker and the WSHFC includes [Paul Lawrence](#), [Jamie Lisagor](#), [Erica Coray](#) and [Scott Ferron](#), with support from Sydney Henderson.

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