

ANALYSIS OF IMPEDIMENTS TO THE EXERCISE OF FAIR HOUSING CHOICE

2007-2008 Update for Oakland County “CDBG Urban County Communities”



**Oakland County Community & Home Improvement Division
Oakland Pointe, Ste. 1900
250 Elizabeth Lake Road
Pontiac, MI 48341-0414**

Equal Opportunity Programs

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Introduction

Provisions to affirmatively further fair housing are long-standing components of Oakland County's housing and community development programs. Oakland County supports the U.S. Department of Housing and Urban Development's fair housing and equal opportunity mission by conducting an Analysis of Impediments to Fair Housing Choice (AI) with timely updates and ongoing actions to overcome identified impediments. The AI serves as the basis for fair housing planning and provides essential information to housing consumers and providers, county and community policy makers, administrative staff, lenders and fair housing advocates and helps build local support for fair housing efforts.

Oakland County conducted its first AI in 1990 with the Fair Housing Center (FHC) of Metropolitan Detroit. FHC prepared the AI and based upon identified impediments, Oakland County developed strategies and contracted with FHC annually to implement the strategies and help eliminate identified impediments. Oakland County contracted with FHC to complete AI updates in program years 2003 and 2004.

During 2005 and 2006, Oakland County contracted with the Wayne State University Center for Urban Studies to complete Oakland County's first Comprehensive Housing Needs Assessment which includes critical information, data, assessment and recommendations on several fair housing related issues and impediments. The Housing Needs Assessment identifies gaps in the existing housing structure and recommends strategies to meet housing needs across all income levels and across protected classes under fair housing laws. The Report assembles fair housing information and addresses population and household characteristics, economic characteristics, housing stock and market characteristics, housing affordability, special needs housing, housing delivery systems, matching housing needs to land use, housing constraints, current and projected housing needs, recommendations and housing indicators. The Assessment is key to Oakland County's AI update and is attached as an appendix to this document.

Over the past two years (2007 and 2008), Oakland County has prioritized information and recommendations resulting from the Housing Needs Assessment for implementation consideration and planning based on existing resources. Several of the recommendations have been instituted to affirmatively further fair housing. Actions include increasing the number of HUD certified housing counselors serving Oakland County, incorporating the development of affordable housing into community master plans, providing technical assistance to local officials about how they can affirmatively further fair housing, advocating for disability rights and accessible housing and enhancing outreach and education activities for the general public to become aware of their rights under fair housing laws and where they can go for help.

In order to better align fair housing planning with the County's housing and community development Consolidated Plan process, the next comprehensive Analysis of Impediments to Fair Housing Choice will be completed with the development of the 2010-2014 Consolidated Plan which will contain new data and information supporting the AI. The current Consolidated Plan covers program years 2005 through 2009.

I. Summary of Impediments to Fair Housing Choice

A. Major Findings from the Oakland County Comprehensive Housing Needs Assessment

The Housing Needs Assessment identified three primary types of constraints in Oakland County. The most significant are market-related.

- Primary market constraints include the insufficient availability of low-cost land that can be developed at densities sufficient to meet demand; public opposition to the development of affordable housing (NIMBYism); consumer demand for large units with many amenities; high consumer demand driven by the high quality of housing and quality of life in the county; limited housing searches by recent in-movers; cost of property taxes and utilities; and labor and materials costs for low-income housing.
- Primary capacity constraints include insufficient funding for public and nonprofit affordable housing and service providers; inadequate awareness of the need for, and benefits of, affordable housing among the general public and elected officials; and a lack of government infrastructure for providing affordable housing in some communities.
- Primary regulatory barriers include the imposition of aesthetically-oriented building requirements (e.g. percentage of exterior covered by brick, type of roofing material, etc.) within subdivisions; inconsistent application of building codes and/or adherence to development approval procedures in some communities; large minimum lot sizes in some communities; and the failure of most communities to explicitly address affordable housing, multifamily housing, or special needs housing in master plans. Additional investigation of regulatory barriers at the community level would help the county identify and alleviate regulatory barriers in specific communities.

B. Primary Citizen Group Conclusions

The Community & Home Improvement Division convened two citizen groups to obtain comments on impediments to fair housing choice in Oakland County. The groups included the Citizens Advisory Council for Community & Home Improvement and the Housing Subcommittee of the Oakland County Business Roundtable Quality of Life Committee.

Perceived barriers to fair housing include:

- Lack of general public awareness of fair housing laws both by housing providers and consumers.
- Lack of general public and potential victim knowledge of available fair housing resources including agencies that provide counseling, investigation, testing, litigation and enforcement services.
- Lack of municipal staff and public service agency staff awareness of fair housing laws and resources for referral purposes.
- Insufficient knowledge of landlord responsibilities under fair housing laws including housing provisions for special needs or disabled housing consumers.
- Lack of affordable single family owner occupied and rental housing in communities where protected classes would prefer to live.

- Local regulatory barriers to affordable housing development.
- Negative citizen perceptions of affordable housing for special needs persons.
- Lack of state predatory lending laws.
- Lack of monitoring financial institutions outside the Community Reinvestment Act boundaries for discriminatory and predatory lending practices.

II. Actions Taken by Oakland County to Affirmatively Further Fair Housing During 2007/2008

A. Building Fair Housing Counseling Capacity to Further Fair Housing

The Housing Counseling and Homeless Services Unit of the Community & Home Improvement Division is the only "public entity" HUD approved housing counseling agency in Michigan. The unit has been in operation for more than twenty years offering a full array of free housing counseling services.

Based on recommendations identified in the Housing Needs Assessment, the declining state economy and housing market as well as escalating sub-prime mortgage products and mortgage foreclosures, Oakland County expanded housing counseling capacity by creating one additional full time Housing Counselor during 2007. Today, the Housing Counseling and Homeless Services Unit staffs three full time employees to further fair housing strategies focusing on rental issues, pre-purchase, mortgage product, foreclosure prevention and predatory lending counseling. One of Oakland County's housing counselors is one of only two HUD/AARP Network Reverse Mortgage Counselors in the State of Michigan and works to see that senior citizens do not become the victims of lending fraud. During 10/1/2006-9/30/2007 2,752 persons received housing counseling services from the Unit.

B. Competitive Awards: Comprehensive Housing Counseling Grant Program

Oakland County received a competitive 2007 Comprehensive Housing Counseling (CHC) Grant of \$62,000 to expand comprehensive housing counseling services including fair housing counseling, outreach and education. During 10/1/06-9/30/07 the Unit provided personal and telephone counseling specifically on pre-purchase, post-purchase, Home Equity Conversion Mortgages (HECM), loss mitigation, and tenant-landlord issues to 712 households. Each case requires comprehensive review to determine whether a fair housing violation took place. The Unit referred more than 16 calls to the Fair Housing Center of Metropolitan Detroit (FHCMD), Michigan Department of Civil Rights, HUD Fair Housing Office or the Legal Aid Defender Oakland County Fair Housing Center.

One-on-One Housing Counseling Activity Synopsis - 10/1/06-9/30/07

Clients Receiving Education/Group Sessions	245
Clients Seeking Pre-Purchase Homebuyer Counseling	31
Clients Seeking Help with resolving or Preventing Mortgage Delinquency	112
Clients Seeking Help with Home Maintenance and Financial Management for Homeowners	215
Clients Seeking Help in Locating, Securing, or Maintaining Residence in Rental Housing	106

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Clients Seeking Shelter or Services for the Homeless	3
Ethnicity of Clients	
Hispanic	6
Not Hispanic	706
Race of Clients	
American Indian/Alaskan Native	7
Asian	3
Black or African American	248
White	452
Multi-Race	2
Income Levels	
<50% of Area Median Income (AMI)	342
50 – 79% of AMI	305
80 – 100% of AMI	26
> 100% of AMI	39

C. Countywide outreach, information, and referral campaign on Fair Housing Laws

1. County Fair Housing Month Celebration
 - County Executive proclamation of April as Fair Housing with related media campaign including news releases and public service announcements to over 60 television and radio stations and 35 newspapers (bilingual information included).
 - Distribution of Fair Housing information letters and posters to 50 communities with ideas to affirmatively further fair housing.
 - Fair Housing information letters to public service agencies, libraries, senior centers and realtors.
2. Fair housing and housing counseling literature distribution to 50 community offices, Community Housing Development Organizations and Emergency Shelters

D. Fair Housing monitoring and technical assistance

Monitor 50 CDBG communities, Community Housing Development Organizations and Emergency Shelters for compliance with fair housing requirements and provide technical assistance.

E. Landlord Tenant Workshop on Fair Housing Laws and Special Housing Accommodations

Contract with the Fair Housing Center of Metropolitan Detroit to conduct a fair housing workshop to educate landlords and tenants about fair housing laws and reasonable housing accommodations related to persons with disabilities. Housing Counselors also provided individualized counseling on site.

F. Update Oakland County Community & Home Improvement Division Website

Staff updated the Division’s website to enhance housing counseling services related to fair housing issues and resources including foreclosure and predatory lending.

G. Community & Home Improvement Division 2008 Annual Report

Distribute 100,000 Annual Reports advertising Fair Housing Counseling services to residents in 50 CDBG participating communities.

H. Removing Barriers to Affordable Housing

1. Fund three Community Housing Development Organizations to develop and sell 12 units of affordable housing through affirmative marketing to protected classes under the fair housing laws.
2. Fund down payment assistance to help homebuyers afford housing in neighborhoods of their choosing.
3. Oakland County Planning & Economic Development Services (PEDS) developed a land use inventory by community to help developers and community officials identify potential sites for affordable housing developments. PEDS includes affordable housing development considerations in working with local community master plans.

I. “MY HOME – MY FUTURE” Home Retention Workshop Series

Conduct a series of community workshops on home retention and foreclosure intervention. During each workshop, fair housing information and predatory lending is discussed.

J. Cooperative Agreement with Legal Aid Defender Fair Housing Center of Oakland County

Represent Oakland County on the LAD Fair Housing Center Oakland County Advisory Board and maintain a formal “Working Agreement” to develop and maintain a working relationship for referral and assistance of persons.

K. Community Newsletters

Promote comprehensive housing counseling services including fair housing counseling in various county and community newsletters. Examples include the Oakland County Board of Commissioners Annual Report, Oakland County Economic Development & Community Affairs E-Focus electronic newsletter, Oakland County Telegraph, Senior Advocate newsletter and several local community newsletters.

L. Foreclosure Prevention Services and Identification of Predatory Lending Practices

Equal opportunity to credit or fair lending is one of the cornerstones of fair housing. Oakland County Housing Counselors strive to educate people on predatory lending practices, review existing mortgages and identify predatory lending practices. Counselors work to convert sub-prime or questionable mortgages to standard mortgage products. Predatory lenders are reported to authorities.

M. Use of the Equal Housing Opportunity Logo and Statement

The Community & Home Improvement Division maximizes equal opportunity by placing the Equal Housing Opportunity Logo and/or statement on all of its housing and community development literature and website.

N. Completion of the Oakland County Comprehensive Housing Needs Assessment

Oakland County contracted with the Wayne State University Center for Urban Studies to complete the County's first Housing Needs Assessment (HNA). The study was completed over a two year period and was presented to the public in August, 2006. The complete document is available on the Oakland County Community & Home Improvement Division's website as a tool for community officials and all housing stakeholders to use in planning for housing throughout Oakland County.

The HNA is the key component to the County's Analysis of Impediments to Fair Housing Choice for CDBG program years 2005-2008 and is attached. It presents comprehensive housing related data and recommends actions that the county, state and local governments and private and nonprofit sectors can pursue to address important housing issues identified in the report, especially in support of fair housing choice. Recommendations include actions to:

- Address Land & Development Costs (i.e. Review Regulatory Barriers to Affordable Housing Development)
- Increase the Supply of Affordable Housing
- Reduce Opposition to Affordable Housing (i.e. Campaign to Improve Racial Understanding, NIMBYism)
- Increase Programs/Initiatives to Increase Affordability for Individual Households
- Support for Broader Housing Counseling

O. Oakland County Business Roundtable Quality of Life Committee - Housing Subcommittee

The Oakland County Business Roundtable Quality of Life Committee's Housing Subcommittee was charged with the task of reviewing the HNA and prioritizing the study's recommendations and conclusion for implementation. The Housing Subcommittee concluded the review, prioritization and establishment of housing indicators during 2008. The priorities have been conveyed to the Oakland County Executive for implementation consideration over the next several years.

III. Demographic Update and Review Based on 2000 Census

The Oakland County Housing Needs Assessment contains a comprehensive presentation of demographic data and community profiles based on 2000 Census. A breakdown of race by community is also presented as an appendix to this analysis.

IV. Review of Housing Discrimination Complaint Activity

The Fair Housing Center (FHC) of Metropolitan Detroit Discrimination Complaint and Litigation Activity Reports for Oakland County for the federal fiscal year (FY) reporting periods of 10/1/05-9/30/06 and 10/1/06-9/30/07 are attached as an appendix to this document. FHC received 18 discrimination complaints from 11 of the 50 Oakland County CDBG Urban County participating communities in FY2005 and 18 complaints from 10 of the 50 communities during FY2006.

The number of complaints per community averaged 1.6 and 1.8 in FY2005 and FY2006 respectively, and the complaints per community numbers ranged from 1-3 in FY 2005 and 1-4 in FY 2006. These averages mirror those of FY2003 (1.8) and FY2004 (1.6). Complaints per community for FY2003 and FY2004 also ranged from 1-3. Although fair housing discrimination is not acceptable at any level, these comparisons reflect that discrimination complaint activity within Oakland County's CDBG Urban County has not increased over the past four years. Most discrimination complaints are based on race or handicap/disability in rental transactions.

V. Conclusions and Recommendations

- Oakland County will continue ongoing outreach, information, education activities designed to heighten public fair housing awareness and available resources. Undertaking initiatives to educate potential renters and landlords is paramount to reduce discrimination complaints.
- Promote affirmative marketing throughout Oakland County in the sale and rental of housing.
- Housing Counseling expansion is critical to Oakland County's ability to minimize housing discrimination, promote fair housing opportunities for protected classes and help to prevent/minimize predatory lending practices.
- Oakland County staff will promote the use of the Housing Needs Assessment within local communities to develop affordable housing.
- The Housing Needs Assessment recommendations will continue to be reviewed, prioritized and implemented given available resources in our quest to promote high quality affordable housing development and equal housing opportunities for residents.

X. Appendices

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