

7.0 ZONING AND HOUSING REGULATIONS

Another aspect of discrimination necessary to discuss is barriers to fair housing resulting from zoning and subdivision regulations. Whether certain zoning and subdivision controls are, in fact, discriminatory is controversial. However, several cities have been successfully sued by the federal government over the manner in which they were zoned.

A view of representative studies of the nature of zoning discrimination shows that, as observed by Professor Richard T. Lai, Arizona State University, in his paper *The Effect of Exclusionary Zoning on Affordable Housing*, "If land-use zoning for the purpose of promoting reason, order and beauty in urban growth management is one side of the coin, so can it be said that exclusion of housing affordable to low and moderate income groups is the other ... as practiced, zoning and other land-use regulations can diminish the general availability of good quality, low-cost dwellings...." ⁵⁸ Concerning the adoption and administration of building codes, Dr. Lai states "...local building codes also often serve an Exclusionary function...(they) have become a considerable barrier to the potential economics that could be realized through manufactured housing techniques."

7.1 Introduction

Not In My Backyard, Removing Barriers to Affordable Housing, was published by the Advisory Commission on Regulatory Barriers and Affordable Housing. In the forward, then HUD Secretary Jack Kemp wrote that "the Commission's disturbing conclusion is that exclusionary, discriminatory and unnecessary regulations constitute formidable barriers to affordable housing..." ⁵³ *Not In My Backyard...*, cites excessive subdivision standards, fees, slow and burdensome permitting processes, applying building codes for new construction to rehabilitation and NIMBY as among the most serious barriers.

The Advisory Commission concluded that states should take action to alleviate barriers to affordable housing. "States are in a unique position, for both constitutional and practical reasons, to deal with regulatory barriers to affordable housing. Constitutionally, all authority exercised by units of local government over land use and development derives wholly from the State... which is therefore uniquely situated to undertake reform of the collage of local regulations, as well as the State requirements that overlay them."

Patricia E. Salkin, Director of the Government Law Center, Albany Law School, offers a balanced view of the theoretical degree to which land use and building controls add housing cost in her April 1993 article in the publication, *Land Use Law*. Ms. Salkin

⁵⁸ The Effects of Exclusionary Zoning on Affordable Housing, Richard T. Lai, 1991, p.3

⁵³ Not In My Backyard, Removing Barriers to Affordable Housing, 1991, p. 2

correctly speculates that "It is time to openly discuss and debate the Report (*Not In My Backyard...*) and perhaps launch an empirical study to refute or substantiate the document - just how much do land-use regulations drive up the cost of housing? The real public policy issue in the debate is this: What is the most constructive balance between the public interest in affordable housing versus the public interests involved in land-use control?"⁵⁴

The Council of State Community Development Agencies (COSCDA), published *Making Housing Affordable: Breaking Down Regulatory Barriers - A Self-Assessment Guide for States* published in the late 1990's. The 'Guide' cites the common issues raised about regulatory barriers and notes that: "...most states do not easily or readily intervene in local land use matters. Few issues are as politically sensitive - and potentially damaging to state elected officials - than local zoning, subdivision and building regulations. States can assume a leadership role in advancing and encouraging thoughtful modification of land use and development regulation."⁵⁵ While this lays the burden on the State, the City and County should consider their role in assuring that they are not involved in promoting barriers to equal housing. The Guide includes the following recommendations for evaluating how regulatory barriers may be impediments and how they may be modified:

1. States should require that all communities have comprehensive plans which include a housing element
2. States should establish mandatory, preemptive statewide building codes
3. Infrastructure needs should be tied to the capital improvement and housing elements approved in the comprehensive plan
4. States should enact legislation mandating the circumstances and conditions upon which local governments may impose impact fees. Such legislation should allow exemptions or reduced fee schedules for lower income housing
5. States should take a leadership role in providing education and technical assistance for local officials, developers, residents and other interested parties in planning and regulatory issues

Four key areas were reviewed as part of the analysis. They were selected because of the possible adverse effects they could have on families and persons with disabilities.

⁵⁴ Land Use Law, Patricia E. Salkin, 1993, page 7

⁵⁵ Making Housing Affordable: Breaking Down Regulatory Barriers - A Self-Assessment Guide for States, p. 1

- A. Definitions used for "families", "group homes", "dwelling unit"
- B. Regulations (if any) regarding "group homes"
- C. Ability for "group homes" or other similar type housing to be developed.
- D. Unreasonable restrictions, costs on developing multi-family housing units, such as lot size requirements, impact fees, setbacks.

Discriminatory zoning regarding group homes is probably one of the most litigated areas of fair housing regulations. Across the country advocacy groups for the disabled are filing complaints over restrictive zoning codes and in most cases these groups are prevailing.

Perhaps one of the most influential court rulings regarding zoning and group homes was *The City of Edmonds vs. Oxford House, Inc.* This case also addresses the issue of the definition of family contained in zoning regulations. The fundamental part of this case was whether a definition of family that allowed for unlimited related individuals in a unit but limited unrelated individuals to five or fewer was discriminatory.⁵⁶

The court said that this definition of family violates the federal fair housing regulations (42 USC 3604(f)(3)(b)). The majority of the court found that the open-ended numerical potential of a traditionally nuclear family is so much greater than the limit of five unrelated persons, that the city was not making a reasonable accommodation for disabled individuals.

Considering the impact of the Fair Housing Amendments Act of 1988, the Uniform Federal Accessibility Guidelines, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act, entitlement grantees must exercise extraordinary diligence in their efforts to conform their policies and procedures to the ever-evolving requirements of the law. This is especially true with regard to zoning and building regulations, where developers rely upon grantees to establish the boundaries within which they can operate.

As far as can be determined, Montgomery County and the City of Kettering conduct their housing programs in an affirmative manner and without restrictive policies that would adversely affect members of the protected classes.

7.2 Local Review of Zoning Codes

Among the most important protections provided by the Fair Housing Amendments Act of 1988 are those afforded to families with children and the handicapped, or persons with disabilities. Notably, the developing crisis in affordable housing that the nation experienced in the eighties had a particularly devastating effect upon these protected

⁵⁶ Court Mandates Redefinition of Family, Robert F. Manely, O.P.C. Newsletter, December 10, 1995, p. 10 and 11

classes. Accordingly, Congress imposed specific safeguards against policies, customs and practices that, by their impact or design, discriminate against these groups.

In addition to interdicting private acts of discrimination, entitlement grantees should be especially vigilant regarding the impact of zoning regulations and building codes upon these two vulnerable populations. For instance, provisions in zoning regulations that define which living arrangements constitute a "family" can unduly restrict where group homes for the disabled can be placed. Similarly, restrictions governing the placement of multifamily complexes can unduly burden families with children by isolating them in densely populated, high traffic commercial areas. In summary, entitlement grantees should regularly review their zoning and building regulations, especially if such a review has not been conducted since the enactment of the Fair Housing Amendments Act of 1988.

The Montgomery County Zoning Ordinances

A review was conducted of all township zoning ordinances and many of the villages for conformance with fair housing regulations. On the whole we found none of the ordinances to be in non-compliance. As a matter of fact most of the zoning codes were mirror images of one another and were all passed within a few years of one another. Most were over twenty years old and some had been amended.

We could find no issues with lot size requirements, set backs, development fees, or square footage requirements. However we did find that most should consider changing their definitions to better reflect today's changing families. Almost all of the codes had definitions for families that were restrictive on the number of non-blood members that could occupy a housing unit. With today's changing families it would serve them well to consider a more liberal definition.

Consistent with most zoning codes, the Montgomery County code define terms contained within the various regulations. The Ordinance's definition of "family" is always pivotal, since it sets the parameters for the number and relationships between individuals who are permitted to occupy single-family homes in what is usually the most coveted residential district in the County. Most definitions were as follows:

Family: One or more persons living together and sharing common living, sleeping, cooking and eating facilities within an individual housing unit, *no more than three of whom may be unrelated.*

Although the above definition appears liberal on its face, in operation it could potentially prove troublesome. In effect, persons "related" by blood, marriage or adoption can live together in relatively unlimited numbers in an "individual housing unit", while those who are

"unrelated" are limited to three persons.

All zoning codes that were reviewed in the County had a designation for "Community Oriented Residential Social Service Facilities." This designation allows for facilities which provide residential services to a group of individuals of whom one or more are unrelated. The groups included are: mentally retarded, handicapped, aged, disabled, and undergoing rehabilitation. The facilities also are to provide services to meet the needs of residents and be duly licensed and provide supervision. Facilities include: foster homes for children and adults, social care homes, intermediate care homes, and halfway houses.

We applaud this section of the zoning code because it affords complete coverage for all possible needs of families and individuals. It is supportive and reasonable in its scope. We would recommend this section to all who are looking for reasonable definitions for "group homes."

City of Kettering - Zoning Regulations

In the review of impediments to fair housing choice that was conducted in 1998 a review of The City of Kettering's Zoning Code was conducted. When reviewing these documents for the current impediments analysis we found that the document had not been updated to reflect recommendations discussed in 1998. In light of that we have included comments from that document in the attachments of this report. It should be noted that since the last review of the zoning code there has been numerous court cases regarding fair housing issues. As far as we can determine from these cases those issues raised in 1998 are still at issue. However, it is up to the City to determine if those issues raised are serious enough to warrant a revision of the current code.

The City Kettering updated their Property Maintenance Code since the last analysis was completed. A review of that document found no issues or concerns. Concerns raised in the past were addressed.

8.0 LOCAL FAIR HOUSING PROGRAMS AND ACTIVITIES

Both the Montgomery County and the City of Kettering have developed a relationship with the Miami Valley Fair Housing Center (MVFHC) to assist in community fair housing efforts. This contractual relationship provides a comprehensive fair housing program that includes education, outreach and enforcement.

The MVFHC offers training throughout the year to educate landlords/owners, real estate professionals, lenders and other members of the housing industry regarding fair housing rights and responsibilities. They have worked with these groups and organizations to assure an equal and open housing market.

The Ohio Civil Rights Commission (OCRC) has an agreement with the Department of Housing and Urban Development to undertake all fair housing complaints filed with HUD and/or with the OCRC. This agreement is based on the fact that Ohio Fair Housing Law is "substantially equivalent" to federal fair housing laws and regulations. It simply means that all complaints filed with HUD will be directed to the OCRC for investigation and resolution.

The City of Kettering supports fair housing through the Kettering Board of Community Relations and its participation with the MVFHC. The Kettering Board of Community Relations was organized by city council in 1969. Their primary effort is to promote fair housing through educational programs. The Board offers educational opportunities in a variety of ways, an annual fair housing poster contest, tenant-landlord workshop and an event that honors Black History Month. They also work with the City to promote the City's first time home buyers seminar.

A fair housing survey was distributed to determine issues and the extent if any of housing discrimination. Most felt that housing was available in the City without discrimination. Of those responses that felt problems exist it was with the protected classes of race and familial status. All felt that efforts should be made to inform the disabled community regarding fair housing rights. Regarding familial status the response showed concern for female headed households, especially low-income households.

As mentioned earlier in the report the City of Kettering contracts with the Miami Valley Fair Housing Center to handle any complaints of housing discrimination. This partnership includes systemic testing (random testing of the housing market.)

Table 8.1 shows the complaints received by the MVFHC for 2002 through 2004 by protected class and type.

2004 - Of the total complaints received, MVFHC filed twelve administrative complaints with HUD, Ohio Civil Rights Commission (OCRC) and/or the Dayton Human Relations Council, and filed four cases in Federal Court. Additionally, the Center filed 35 lawsuits on behalf of victims of predatory mortgage lending.

2003 - Of the total complaints received, MVFHC filed sixteen administrative complaints with HUD, OCRC, and/or the Dayton Human relations Council, and filed no complaints in Federal Court. Additionally, MVFHC filed 61 lawsuits on behalf of victims of predatory mortgage lending.

2002 - Of the total complaints received MVFHC filed nine administrative complaints with HUD, OCRC, and/or the Dayton Human Relations Council, and filed two cases in Federal Court. Additionally, MVFHC filed 14 lawsuits on behalf of victims of predatory mortgage

lending.

There were no indications that minority real estate professionals in the Montgomery County or Kettering area were being barred from participating in any of the local REALTOR Boards or from accessing the Multiple Listing Service (M.L.S.) which can be a crucial part of their ability to provide services. In many cases, both majority and minority real estate professionals were members of both the REALTORS® and the REALTIST (National Association of Real Estate Brokers). REALTIST is a national organization formed by and for African-American real estate professionals in the early part of the century when they were denied membership in the National Association of REALTORS®.

After numerous requests, information regarding direct complaint filings with the Ohio Civil Rights Commission was not made available to the Consultants for this report.

Table 8.1 - Complaints Received by MVFHC 2002-2004

Protected Class	Rental	Sales	Harassment	Predatory Lending	Total
2004					
Race	29	8			37
Disability	37	1			40
Familia Status	18		2		18
Sex	2				2
National Origin	5	1			2
Color					6
Religion					0
Other	4			391	395
Total	95	10	2	391	498
2003					
Race	16				16
Disability	24				24
Familia Status	7	1			8
Sex	3				3
National Origin	2				2
Color					0
Religion					0
Other	2			424	426
Total	54	1	0	424	479
2002					
Race	21				21
Disability	12				12
Familia Status	15				15
Sex					0
National Origin	5				5
Color					0
Religion					0
Other	2			885	887
Total	55	0	0	885	940

8.1 LEGAL ACTIONS

There were no legal actions against the County or the City regarding discriminatory housing policies or CDBG activities. However, it should be noted that the Montgomery County area has been the location of many precedents setting fair housing cases. Two of these cases set the foundation for developing litigation in insurance redlining:

Dunn vs. Midwestern Indemnity Company
McDiarmid vs. Economy Fire & Casualty Company

9.0 INSURANCE REDLINING

Thirty-three years ago the National Advisory Panel on Insurance in Riot Affected Areas made a critical observation that:

See Map - 37-40

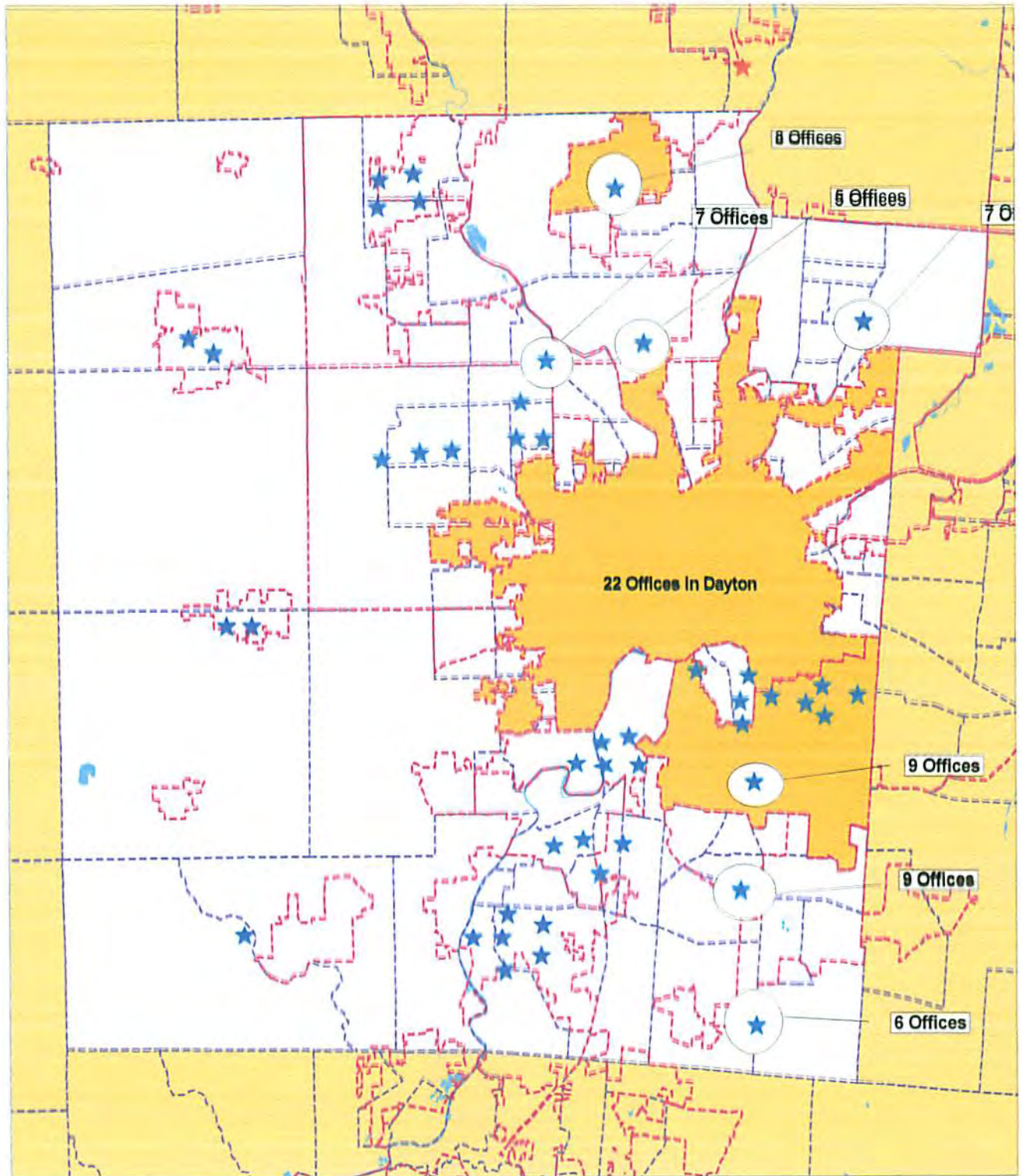
Insurance is essential to revitalize our cities. It is a cornerstone of credit. Without insurance, banks and other financial institutions will not - and cannot - make loans. New housing cannot be repaired. New businesses cannot expand, or even survive. Without insurance, buildings are left to deteriorate; services, goods and jobs diminish. Efforts to rebuild our nation's inner cities cannot move forward. Communities without insurance are communities without hope.

This statement can accurately describe cities in 2004 as well as those in 1968. This statement hits home in the Montgomery County area also. Obviously there are many reasons for the conditions many communities find themselves in today. As the City tries to address the many issues and demands to strengthen neighborhoods, repair deteriorating housing and create more affordable housing one of the road blocks is the practice of insurance redlining.

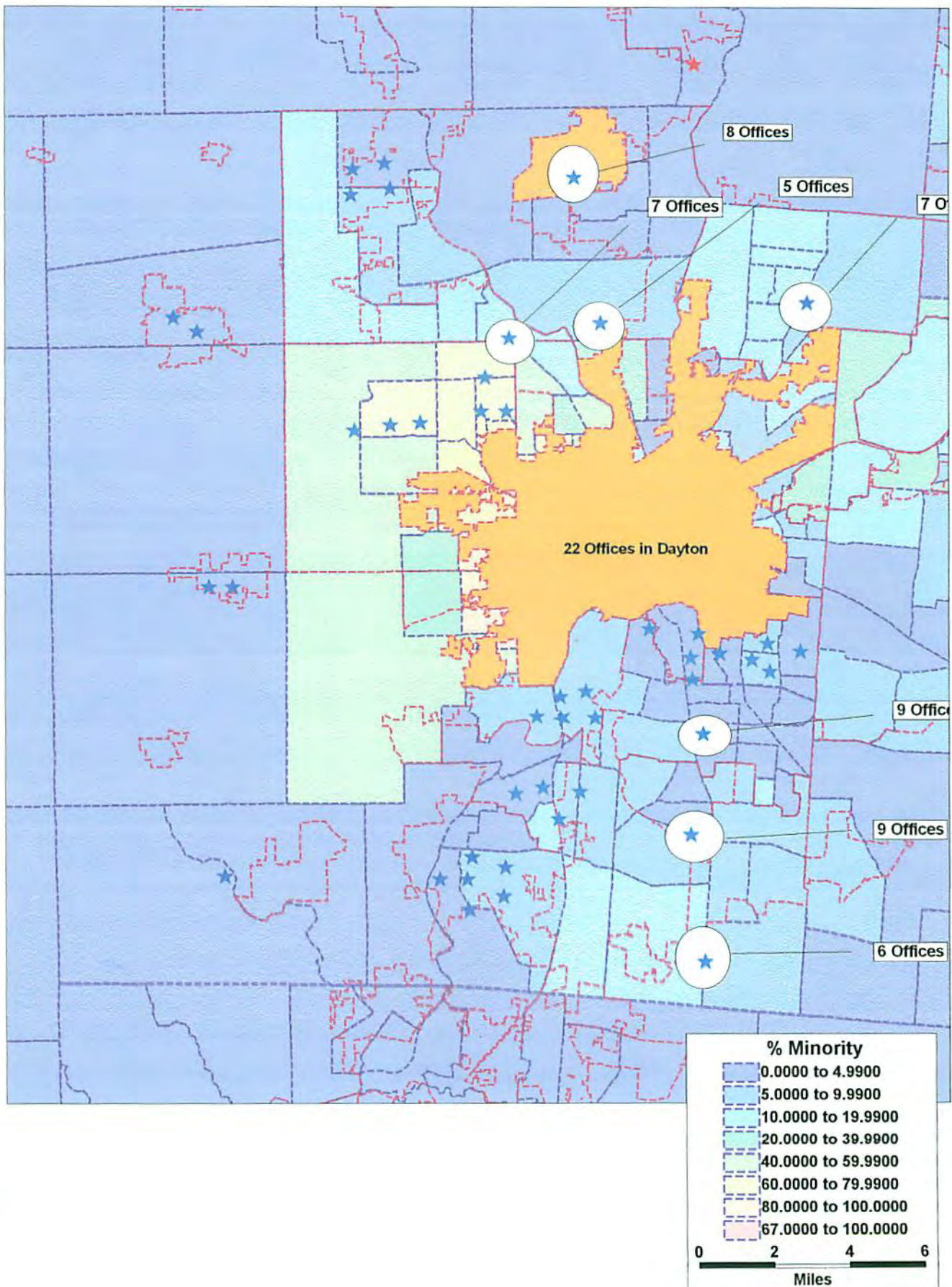
Insurance redlining occurs when insurance agents, offices and/or companies decide that certain areas of the community will not be offered home owners insurance, that the number of policies offered will be limited to a certain number or that they will not offer all the various home owners policies that they have. For example, an insurance company or agent may refuse to underwrite a home owner replacement cost policy. This policy allows the home owner to rebuild his home as close to its original condition as possible and is a very popular form of insurance. In many minority and low-income neighborhoods, insurance companies would refuse to offer this policy and would offer only the very basic of policies or no policies at all.

Racial minorities, low-income neighborhoods and neighborhoods containing large numbers

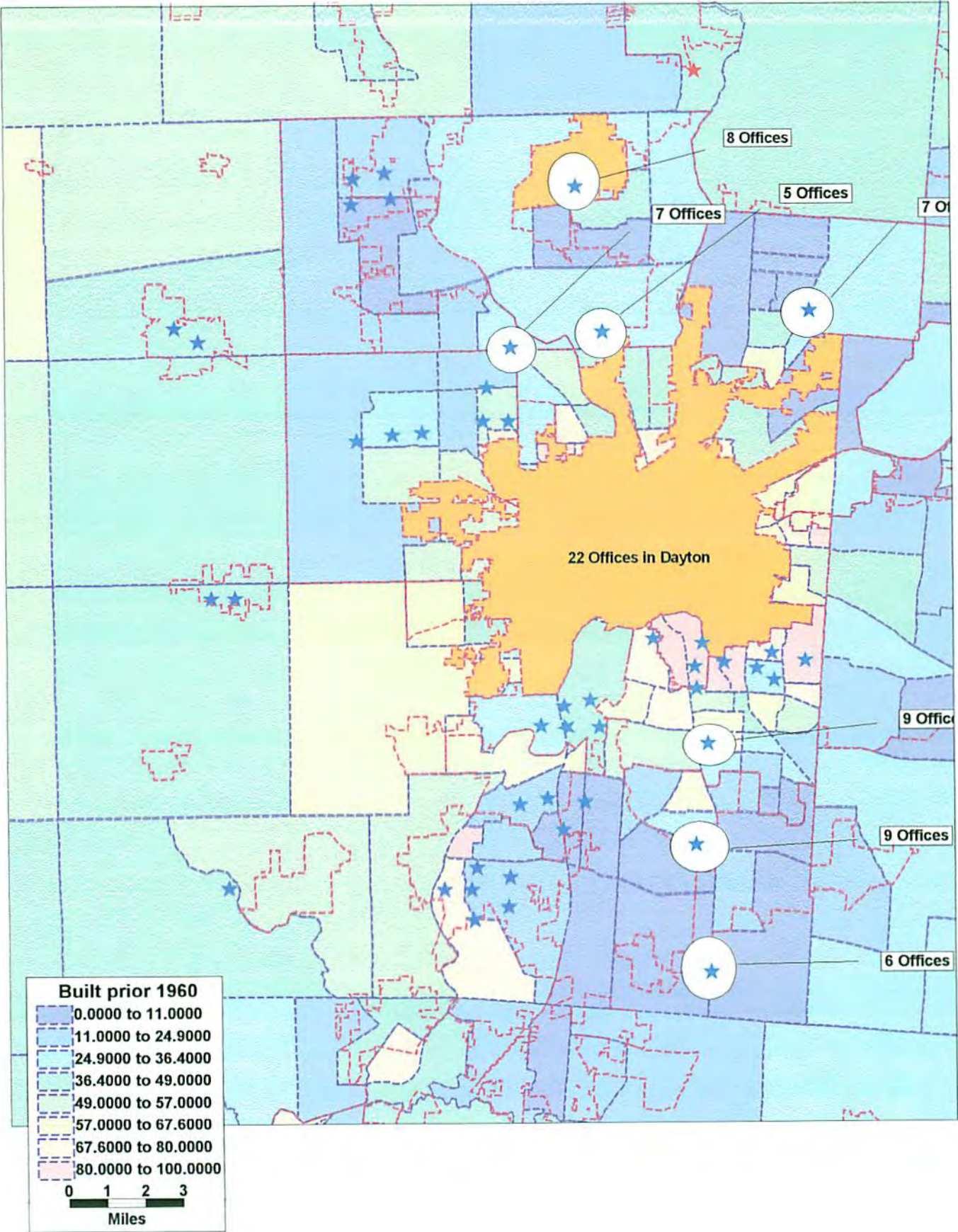
MAP 37: Locations of Home Owners Insurance Offices



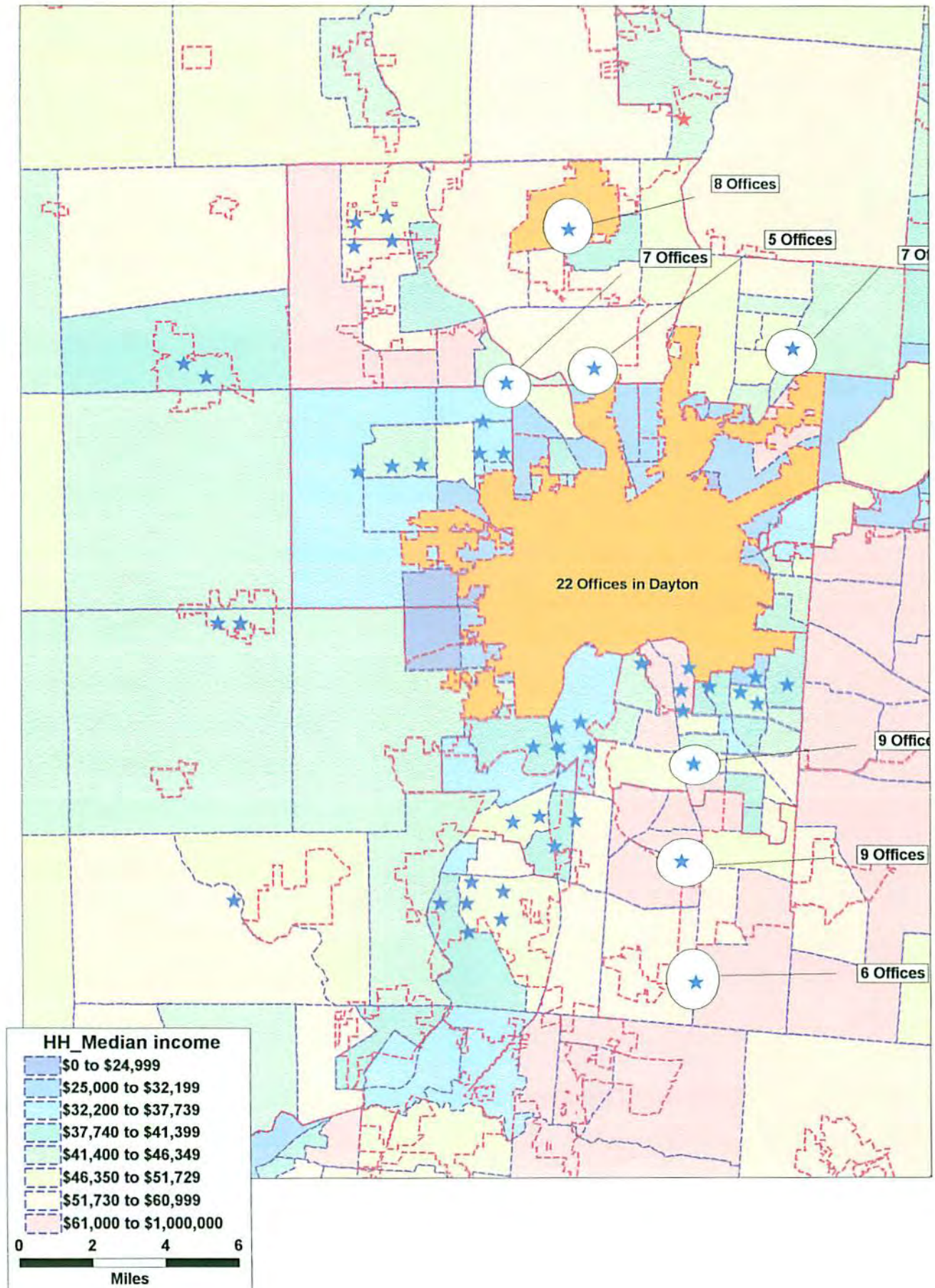
Map 38: Insurance Office Locations by Minority Population



Map 39: Insurance Office Location by Home Built Prior to 1960



Map 40: Insurance Office Location by Median HH Income



of minorities are discriminated against in the provision of property insurance. If intentional racial discrimination is not widespread, traditional industry practices still adversely affect racial minorities and minority neighborhoods. The lack of insurance coverage caused by not offering policies in these neighborhoods or limiting such policies to the most basic coverage is an impediment to the redevelopment of urban communities.

Research and investigations throughout the United States have shown that residents of minority communities have been discouraged from purchasing insurance while residents of predominately white neighborhoods have been encouraged to do so. These studies, including the U.S. Department of Housing and Urban Development's *National Housing Survey*, show evidence of a racial gap in the availability of property insurance. While part of the gap can be explained by financial considerations of the insured, conditions of properties and general risk related factors, the racial gap typically remains substantial even after these factors are taken into consideration.

Many traditional industry-underwriting practices, which may have some legitimate business purpose also adversely, affect minorities and minority neighborhoods. Many companies have minimum value and maximum age requirements for properties to qualify for their home owner policies. For example, a home would be disqualified if it was valued at \$25,000 or \$35,000 or less or was constructed before 1950. In some studies minorities were required to produce a credit check or meet for an interview with the agent before being given a quote.

Each insurance company files its own rating programs and has its own mutually exclusive guidelines for establishing rates and tiers in Ohio. These programs are not consistent and there is no statutory requirement that they be consistent. In the areas of tenant rental insurance and home owner insurance, the companies have widely divergent perspectives on what they will write and how they will determine their rates. However, to remain competitive, companies do not stray too far from one another.

9.1 Rating Practices

Insurance companies establish a base rate (sometimes referred to as an "overall" rate) that is determined primarily by the specific location of the housing. Each company first determines a base rate based on the premiums they receive from a given geographic area, the losses incurred within that area and the expenses of that company to write and administer the policies. Thus, the amount of coverage in the past within a particular area of the County or City directly impacts present rates offered by a given insurance company. If the company has historically under served a geographic section of the community, the current base rate will reflect the historic lack of premiums within that area. This can have the effect of perpetuating the lack of insurance services resulting from historic redlining or other causes.

Some companies have two rating tiers and others may have as many as four tiers in the area of home owner insurance. Tiers are much less common in the area of tenant home owner insurance, though a few companies may have more than one tier. The determination of what rating tier to apply is more a function of the person or persons applying for the insurance as opposed to the location of the property. Tier structures can then cause changes to the base rate depending on a number of factors.

The most significant factors used to establish the rate tiers are:

- ☞ Loss history of the individual
- ☞ Age of the property, though the specific age used is variable (i.e., some companies may have higher rates or not write insurance for houses older than twenty-five years while other companies will use forty years or older).
- ☞ Value of the dwelling
- ☞ The lines of coverage, such as auto insurance, with the same company
- ☞ Years insured with the company

The use of age and the value of the dwelling as determinants of rates can have a significant impact on the older sections of Montgomery County and the City of Kettering, this is especially true of the City of Dayton where there is housing stock older and typically of less value. While these two factors alone can increase the rates for insurance being offered and even discourage companies from offering a full range of products in these geographic areas. The demographic analysis of the community in Section 3 clearly shows that a disproportionate number of Blacks and Hispanics live in these older sections. Even though the use of age and value of the dwellings are neutral policies, they can still may well impact Black and Hispanic communities in a negative manner.

9.2 Credit-Scoring

Credit scoring is still being used to a great extent in Ohio and Montgomery County as a criterion for determining rate tiers, although it may play a role as an underwriting tool. By its use as an underwriting tool, a credit score can become a barrier to individuals and families who are trying to purchase a home or rent housing, where a landlord requires tenants to carry rental insurance as part of the lease. Considering the minorities usually have a higher poverty rate compared to Whites it is reasonable to assume that the use of credit scoring as a property insurance underwriting tool, will result in a discriminatory impact on minorities who are disproportionately represented in low-income categories.

In a ruling on September 3, 2003, the 5th U.S. Circuit Court of Appeals allowed a nationwide class action brought by six minority policyholders challenging insurers' use of credit scoring in pricing both automobile and home owner's policies to continue. In *Dehoyos, et. Al. v. Allstate Corp. et. al.*, the minority plaintiffs allege that Allstate's use of credit-scoring violates federal civil rights laws (42 U.S.C. 1981 and 1982) and the housing

law (42 U.S.C. 3601). The plaintiffs argue that Allstate employs a nationwide scheme of intentional racial discrimination against minorities, charging them higher premiums for property and casualty insurance that whites have to pay. They also argue that Allstate uses credit scores, a factor they contend has no reasonable relationship to risk of loss, to justify placing minority applicants in more expensive policies than those in which whites are placed. The plaintiffs allege that Allstate has violated both federal civil rights and housing laws by engaging in a pricing practice that is racially discriminatory because of its disparate impact on minorities. Disparate impact claims involve procedures that are not intentionally discriminatory but result in discrimination.

9.3 Recent Lawsuits

A lawsuit filed in the late 1990's against Citigroup, Travelers Property and Casualty and Aetna Casualty & Surety in federal district court in Washington, D.C. alleged that the companies engaged in pervasive discriminatory practices and maintained underwriting standards and policies that restrict, limit or deny home owners insurance in predominantly Black, Latino and integrated neighborhoods in the United States. The suit was brought by six nonprofit fair housing agencies from various areas of the United States, using testing and investigational techniques identified policies, practices and underwriting standards that severely limited or denied insurance coverage needed to repair, replace or rebuild homes located in older neighborhoods that were Black, Latino or integrated. In addition, fair housing and community groups placed Travelers and Aetna on notice regarding their discriminatory policies in the late 1970's. All of these insurance companies settled their lawsuits and have since changed many of their policies on a national level, including in Montgomery County.

These lawsuits are typical of those being filed and settled in recent years. State Farm, Nationwide and Liberty Mutual are three other companies that have run afoul of fair housing laws and agreed to change their national policies and practices. Some of the illegal practices found in those investigations included: charging Blacks more for the same coverage or offering inferior coverage; requiring additional background information from applicants in minority or low-moderate income neighborhoods; offering Whites replacement cost coverage, but denying it to Blacks; maintaining minimum age restrictions; maintaining minimum value restrictions; requiring inspections of homes in minority neighborhoods more frequently; and referring callers from minority neighborhoods to other insurance companies.

9.4 Location of Agents

While the scope of this analysis does not allow for insurance redlining investigations and testing, we were able to look at one key element of insurance redlining. A critical factor in the marketing of insurance is the location of offices/agents. A majority of the property

insurance policies sold by most agents are to insure properties in neighborhoods in which the agent is located. Studies have shown that the distribution of agent locations is clearly related to the racial composition of neighborhoods.

Table 9.0 - Local Insurance Agencies

INSURANCE COMPANY	TOTAL NUMBER OF OFFICES
AAA Insurance	5
Allstate Insurance	25
American Family Insurance	28
Erie Insurance Group	13
Farmers Insurance	10
Grange Insurance	16
Motorists Insurance Comps.	9
Nationwide Insurance	15
State Farm Insurance	52
Total	173

Source: SBC Yellow Pages: Montgomery County and Surrounding Area, 2004

Montgomery County is served principally by SBC Yellow Pages. There are over 400 listings of insurance agents and or offices. Few insurance companies highlight the location of their agents, making it difficult for persons to identify offices located near them. In addition, the fewer the agents in a given area of the community, the more difficult it can be to find them. The marketing approaches insurance companies choose to use have a direct impact on what audiences those companies reach.

It is difficult to determine which agent is located in the City of Dayton or Kettering or in the County. While the address is given in most cases the community is not indicated. Again unless the consumer is very familiar with the community they would not know whether a agent is in their community or another. This is especially true with similar street names such as Main Street or Broadway Ave., etc.

The sheer number of insurance agents in the area made it very difficult to map. Therefore, only those offices were selected that specifically indicated that they sold/offered home owner insurance policies in the yellow pages, these offices were then mapped using Maptitude 4.6. However, the lack of offices in older, low-income and minority neighborhoods is a concern that warrants further study.

9.5 Offices Compared to Minority Population Density

First, the office locations were compared to density of minority populations in the County, including Dayton and Kettering. As can be seen the higher the minority population the fewer the offices. (Map 38)

Considering those census tracts in terms of minority percentage as found on Map 37, tracts with 50% and greater concentrations of minority populations have almost no insurance offices. This also holds true for those tracts that contain 35% or more minority populations. Thus, very few agents are readily available in neighborhoods with large percentages of Black, Hispanic, or other minority populations.

9.6 Offices Compared to Income Levels

Second, the insurance office locations were compared to census tract income levels. Neighborhoods of predominately minority and low-moderate income residents consistently have limited neighborhood home owners insurance office locations. There are a number of tracts in County where median incomes are low or low-moderate income. These tracts are also without a significant number of insurance offices especially when they are compared to the predominately White areas and those over 100% of median income. This review by income levels indicates that income alone is not the only operant factor in the location of insurance offices. It should be noted that the tracts with the lowest median household income are the same census tracts as those with high percentages of minority populations. (Map 40)

9.7 Offices Compared to Age of Housing

Next, insurance office locations were compared to the age of the housing by census tract location. Map 38 shows that areas housing built prior to 1960, fared no better than areas of predominately minority and low-moderate income residents. The vast majority of insurance offices were located in census tracts with housing built after 1961. (Map 39)

9.8 Offices Compared to Owner-Occupied Housing

The last issue considered was the argument that the housing units in areas with no insurance offices are predominately renter occupied. Map 39 shows the location of offices by the percent of owner-occupied housing units. The neighborhoods with the highest percent of minority and the lowest median income show owner-occupied percentages of over 40%.

The lack of access to insurance undermines redevelopment efforts, locks people out of critical markets and contributes to the concentration of poverty. Lack of access to insurance products and services may be affected by the location of offices and other

factors we have examined, such as credit scores for underwriting criteria and the price of insurance reflected in base rates. When such factors are based on factors like poverty, age of housing and property locations, they are heavily correlated to race, national origin and other protected characteristics.

9.9 Lack of Reporting Requirements

A second and significant concern is the difficulty in obtaining any reports identifying the number and scope of insurance coverage being offered by race/ethnicity and geographic area. The insurance industry has no equivalent to HMDA data. This lack of reporting requirements hinders the monitoring and accountability of the insurance industry to determine the scope of any impediments to fair housing choice created by the inability of persons to obtain home owners or rental insurance.

While it is hard to document insurance redlining and discriminatory acts in the local market it is felt by those who monitor such issues that anecdotal evidence is available. Often individuals seeking insurance are not aware that they are getting a higher rate, that certain types of coverage for their homes are not being offered and that some agents just don't write insurance in those areas. This is one reason location of offices is so important. National studies have shown that homeowners look for agents in and near their neighborhood for insurance. The ideal response would be to have funding for an investigation of insurance redlining much like what is done for predatory lending or lending discrimination. However budget reduction on a national, state and local level make this response even more difficult.

10.0 COMMUNITY ISSUES

Between January 1 and February 1, 2005, this Consultant contacted 35 City of Kettering and 26 Montgomery County individuals associated with community organizations and agencies who are then mailed, faxed or emailed a survey focusing on housing issues in the City of Kettering and Montgomery County area. This survey offered several questions and was designed to elicit responses in order to document how those living within the community viewed their own housing barriers. Directors or managers at each agency were contacted first by telephone and were encouraged to answer questions in any way they felt necessary.

10.1 City of Kettering

Of the 15 City of Kettering agencies and organizations responding

- 12 (80%) believed that accessibility, due to the age of the available housing stock, is problematic for individuals with disabilities.

- 9 (60%) believed that the lack of jobs/job training was the problem for individuals in getting out of homelessness.
- 8 (53%) indicated that finances were the reason for people not being able to achieve affordable, safe and decent housing.
- 5 (33%) felt that government/private programs were the reason for individuals achieving affordable, safe and decent housing.
- 6 (40%) felt that local housing programs or the housing authority was doing a good job while 4 (27%) felt it was mediocre, 3 (20%) felt it was doing a poor job and 2 (13%) made no comment. 9 (60%) felt there were transportation problems.
- 10 (67%) said there were employment problems with 9 (60%) indicating that there was a lack of lower income jobs.
- 11 (73%) knew of down payment assistance or local programs that help with affordable housing ownership.
- 9 (60%) knew of lenders participating in programs to help affordable home ownership.
- 12 (80%) knew about rehab programs for existing housing stock.

The responses of the fifteen community organizations, agencies and individuals have been classified into nine areas impeding housing choice. That data is included in Table 10.0 below.

TABLE 10.0: COMMUNITY AGENCY SURVEY

IMPEDIMENT	# Responding	Percentage
Accessibility	12	80%
Employment Problems	10	67%
Transportation Problems	9	60%
Finances	8	53%
Local Housing Programs/Housing Authority	6	40%
Participation of Local Lenders in Home Ownership Programs	6	40%
Government/Private Programs	5	33%
Down payment Assistance Programs	4	27%
Rehab Programs for Existing Housing Stock	3	20%

There is limited housing that addresses the accessibility factor. Most housing is older and the costs associated with making them accessible is identified as the major impediment to housing choice by over eighty percent (80%) of those who responded.

Over half of the respondents indicated that finances, transportation and employment problems were a barrier to housing.

Below are comments by some of the community organizations, agencies and individuals related to specific barriers they indicated impacted affordable housing.

Affordability - Many organizations mentioned that the overall housing stock is well kept, safe and comfortable but not necessarily what those in the lower income brackets can afford.

"Much housing is owned by absentee landlords who are focused on profit."

"Concern about increasing insurance rates, home maintenance costs, upkeep (i.e. yard work), taxes and major repairs (i.e. roof, gas line, window, siding)."

"One difficulty...is being able to compete in the marginally over-priced housing market." In addition, "the new home mortgage products that require no down payment and relatively low interest rates, potential buyers are advised that they can afford much more than their income can support."

"The so-called affordable housing is still too expensive for the job market."

Conditions - (Quality, or lack there of, of housing units)

"There are fewer and fewer rehab programs with the demise of programs like 203K or Title II (too many restrictions for people to use)...combined with environmental issues (lead/mold)..."

"Due to a lack of funds, housing would have to be in lower-cost center city and neighborhoods "abandoned" by those who traditionally supported the infrastructure and provided support for the neighborhood. Such areas often do not have a strong sense of community, leaving residents without services, interested neighbors and logistical support."

"...housing is available to those who can afford to invest in outdated homes that are structurally sound but need renovation via mechanical system updates, structural modifications, etc."

"The city has a substantial supply of housing that is 30-50 years old which needs care. Without the financial means to address those needs, people are living in less than decent housing..."

"I see obsolete housing in older neighborhoods-both inner cities and inner-rung suburbs that simply do not meet the needs of families today."

Credit - Another recurring concern among the respondents was the extreme difficulties faced by those with bad credit or no credit.

"Unwillingness to get help when financial problems arise."

"Lack of financial education."

"...a perception that they will not be able to pay, making a prospective landlord less likely to rent or charge additional fees up-front."

Criminal Histories - Several community organizations, agencies and individuals mentioned those with criminal histories.

"...the growing problem of persons coming out of prison settings, yet being unable to a) obtain a job and b) being able to obtain housing..."

"...a perception that they will not be able to pay, making a prospective landlord less likely to rent or charge additional fees up-front."

Drug Problems - Much like the situation with criminal records, drug problems can frequently stand as barriers to fair housing choice.

"Even without a criminal record, many recovering drug users can find it very difficult to find safe and affordable housing."

"Clearly, drugs, alcohol and mental health issues add to this problem."

"...it seems so connected to issues of drug and alcohol and mental illness..."

"...a perception that they will not be able to pay, making a prospective landlord less likely to rent or charge additional fees up-front."

Employment Issues - Complaints about the local economy and about the lack of employment choices for those in Kettering served as a common theme in many of the responses received.

"People live in what they can afford."

"Kettering has historically been dependent on GM manufacturing jobs which are dwindling. Many of the new jobs that have surfaced are in the service sector with the typical low wage opportunities."

"Kettering has few blue-collar or industrial jobs for those without good administrative, communication and entrepreneurial skills."

"Both for schooled and unschooled individuals, the job skills of the individuals often don't meet the job needs."

Homelessness - (Families and individuals without housing)

"...it seems so connected to issues of drug and alcohol addiction and mental illness that is very difficult to solve without a very strong network of services and options."

"A big issue...is often single men have just given up ""Some don't want to (get out of homelessness). Those that do want to, do not have the skills to acquire a job." "They lack direction and do not have a strong peer group to provide support."

Lack of Education - There were numerous, although varied, responses from the respondents regarding the educational programs available or not available to individuals.

"They do a good job with the resources they have."

"The Housing Authority seems to do a good job in getting the word out in newsprint and other media source (i.e. cable programming) about their programs."

"Efforts should not stop after the closing; an effective education/counseling/referral network should be developed to assist home owners after they have purchased a home."

"It would be helpful to develop additional communications that promote these programs."

"We do have a first time home owner mortgage assistance program although it is fairly difficult to meet the qualifications."

"What housing authority?"

"Programs in Kettering are good but limited due to small amount of money allocated to these programs."

"...those from outside the community...would not know about them and could not access them anyway prior to owning the property."

"I know about their programs but not how they actually work."

Lack of Services - Most community organizations, agencies and individuals agreed that the City of Kettering did offer services to individuals to obtain affordable housing.

"Yes - frankly, there may be too many programs." "I think the local housing assistance programs are wonderful. I only wish the REALTORS® were either more educated and took an interest or stayed out of it so that the buyers obtained everything available to them."

"Kettering has limited funds to help first-time home buyers obtain an attractive mortgage."

"At least part of our current high foreclosure rate is probably due to home ownership assistance, down payment assistance."

"Programs in Kettering are good, but limited due to small amount of money allocated to these programs."

"The city does not convey a clear standard of what constitutes safe, decent housing for residents."

Mental Health Problems - Most of the community organizations, agencies and individuals specifically addressed those with physical disabilities. However, there were a few instances where the subject of mental disabilities was addressed by the respondents.

"People with mental disabilities have a very difficult time assimilating into the Kettering community."

"Many neighborhoods have not responded well to group homes trying to locate there."

"The city's current zoning code permits group care homes as a conditional use in many residential districts."

"Approval process for these facilities requires a public hearing."

Racial Streaming/Steering - There were very limited responses on racial streaming but they should be noted.

"There is a perception that potential residents are being steered away from living in Kettering if and when they do not fit the general demographic of upper income white traditional family." "...assistance programs do not encourage movement to Kettering from other cities."

"Kettering has a very homogenous population which sets the stage for individuals that do not fall into the traditional Caucasian family are immediately suspect."

Uncooperative Landlords - There were very few comments regarding landlords from the respondents. However, several respondents had very specific complaints. Some were similar to comments made in other areas.

"...a perception that they will not be able to pay, making a prospective landlord less likely to rent or charge additional fees up-front."

"Much housing is owned by absentee landlords who are focused on profit."

"I see a continuously dwindling source of safe, affordable, decent housing-particularly for rentals. I see a huge reliance politically on home ownership over rental housing and sometimes rental is really what people need."

"Increasing insurance rates, maintenance costs, upkeep (yard work), taxes and major repairs."

10.2 Montgomery County Responses

Of the 13 Montgomery County agencies and organizations responding:

- 5 (38%) believed that availability is the major barrier for individuals with disabilities in achieving housing.
- 5 (38%) believed that the lack of jobs/job training was the problem for individuals in getting out of homelessness while 4 (31%) believed that substance abuse was the problem.
- 6 (46%) indicated that the reason for people not being able to achieve affordable, safe and decent housing is due to the lack of them.
- 6 (46%) felt that government/private programs were the positive reasons for individuals achieving affordable, safe and decent housing while 6 (46%) felt it fostered stability/increased self-esteem.
- 6 (46%) felt that local housing programs or the housing authority was doing a good job while 1 (8%) felt it was only mediocre and 7 (54%) felt it was doing a poor job.
- 7 (54%) felt that there were transportation problems.
- 12 (92%) said there were employment problems.
- 10 (77%) knew of down payment assistance or local programs that help with affordable housing ownership.
- 11 (85%) knew of lenders participating in programs to help affordable home ownership.

- 10 (77%) knew about rehab programs for existing housing stock.

The responses of the thirteen community organizations, agencies and individuals have been classified into nine areas impeding housing choice. That data is included in Table 10.1 below.

TABLE 10.1: COMMUNITY AGENCY SURVEY

IMPEDIMENT	# Responding	Percentage
Employment Problems	12	92%
Transportation Problems	7	54%
Availability	6	46%
Government/Private Programs	6	46%
Local Housing Programs/Housing Authority	6	46%
Jobs/Job Training	5	38%
Down payment Assistance Programs	3	27%
Rehab Programs for Existing Housing Stock	3	27%
Participation of Local Lenders in Home Ownership Programs	2	15%

When asked about the problems that individuals with disabilities faced, the availability factor was more dominant than the accessibility factor according to the respondents. Most of the respondents (54%) agreed that public transportation was a major impediment to housing choice for those with disabilities or for those working late-night shifts.

In addition, the respondents indicated that the major impediment to housing choice, by over ninety percent (90+%), is due to the steady decline in employment availability.

Below are comments by some of the community organizations, agencies and individuals related to specific barriers they indicated impacted affordable housing.

Affordability - Many community organizations, agencies and individuals mentioned that there is a shortage of affordable housing stock.

"The shortage of affordable, safe and decent housing that is on or near public transportation routes."

"The biggest negative in achieving affordable housing is the lack of them."

"Housing labeled "affordable" that is constructed through the federal Low-Income Housing Tax Credit (LIHTC) program often has rent that is equal to or are in excess of the market rate units."

Conditions - There were numerous comments directed towards the need for a program that targets the maintenance of rental properties for low-income tenants.

"People need an adequate income to maintain housing and utilities." "There are very limited rehab programs for existing stock - particularly for existing rental housing." "...many moderate to low-income renters are forced to live in units that do not even meet the local housing code."

"Most...is extremely aged, not well maintained and there is no agency or governmental unit systemically addressing even code enforcement, let alone habitability of the affordable housing."

"...most, if not all, are targeted to home owners to the exclusion of rental properties."

"There is a need for rehab programs for rental properties."

"(There) should be both carrots and sticks for owners of rental properties to rehab and maintain their properties."

Credit - Another concern among the respondents was the extreme difficulties faced by those with bad credit or no credit.

"Bad credit and rental histories are problems for individuals trying to leave homelessness..."

"Lack of financial education."

"Inability to access affordable housing due to...unpaid utility bills or other credit problems."

"...inability to rent an apartment or house because of poor or no credit history."

Criminal Records - There were a few community organizations, agencies and individuals who mentioned that housing choice was limited by those unemployed or with criminal histories.

"Inability to access affordable housing due to inadequate income, previous problems with evictions or criminal records

"...a perception that they will not be able to pay, making a prospective landlord less likely to rent or charge additional fees up-front."

"It is difficult for the homeless to obtain and keep stable employment due to frequent firing and criminal records of the past."

Drug Problems - Much like the situation with criminal records, drug problems were mentioned as barriers to fair housing choice. Even without a criminal record, many recovering drug users can find it very difficult to find safe and affordable housing.

"Challenges include unstable income...drug/alcohol addiction."

"Affordable housing is located in drug infested and crime ridden neighborhoods."

"Lack of support network...addictions..."

"Many homeless cope with...drug addiction that prevents them from having a stable,

adequate income or using their benefits appropriately.”

Employment Issues - This issue was mentioned as the primary reason for the lack of housing choice for those in Montgomery County.

“...inadequate or unstable income...”

“Yes, we’ve been hit hard by job losses which leads directly to housing problems...” “We have serious employment problems because we have a large population of under skilled.”

“Many will work for Temporary Work agencies which is not always enough money to keep people housed on a long-term basis.”

“There are not enough decent paying jobs to fill the need.”

“Yes, the...area continues to struggle with the loss of manufacturing and other well-paying jobs. The jobs that are being created or are available do not pay as well...”

“Unemployment is up...”

“Lack of employment is an issue, be it lack of willingness on the part of the individual or the lack of opportunity in the area...”

Homelessness - This issue appears to be related to a number of factors according to the comments from the respondents. The common thread appeared to be employment, the ability to utilize public transportation to get to the jobs available and training.

“The lack of job opportunities for those who are homeless.”

“The lack of sufficient public transportation so that people who are homeless can get to appropriate jobs.”

“A stable lifestyle.”

“...equipping them with skills and resources.”

“...not enough training in independent living skills.”

“A steady source of income...better education and access to transportation are a few of the major problems.”

“Transportation between schools, work and home.”

“...many need to take an honest look at what is the cause of their homelessness.”

Lack of Education - (Impact on education as it relates to housing, employment, etc.)

“...some lack training and education to earn enough money...”

“...lack of home management skills.”

“The key to breaking the cycle of homelessness is...strengthening families with adequate follow-up and equipping them with skills and resources.”

“...better education...”

“...some homeless are poor money managers...”

Lack of Services - Most community organizations, agencies and individuals agreed that

Montgomery County offered numerous services to individuals to obtain affordable housing. However, many of those services appear to be directed to those interested in purchasing rather than those who can only afford to rent.

"In general, housing is more affordable in Dayton than in many areas of the country. Especially for those in the market to buy a home, there are many options available at reasonable prices."

"There are programs to meet the needs of all income ranges from very low to very high and targeted to first-time and repeat home buyers."

"The lack of a down payment is no longer an obstacle for attaining home ownership."

"All lenders offer an affordable home purchase program."

"There is sufficient down payment assistance available to those who are creditworthy."

"All local federally regulated lenders participate in affordable home ownership programs. Again, creditworthiness is usually the issue."

"There are some community programs to help in affordable housing but due to lack of or very little income...the homeless do not qualify for such programs."

"Local housing assistance programs, particularly the housing trust has been too focused on bricks and mortar projects, without an equal focus on housing services to be provided to the people who will or do reside in that housing."

"The Dayton Metropolitan Housing Authority is a complete mess. They are not customer friendly...employees have horrible attitudes...employees are not properly trained nor do they have the appropriate understanding or respect for the Fair Housing Act."

"It would also be important to have some programs to transition from renters to home owners."

"...local lenders seem to want to "build" things but are not eager to support delivery programs that keep families in affordable housing."

"I feel that more of (a) broader range of services is needed in local housing assistance programs."

Physical/Mental Health Problems - Unlike those with criminal records or drug problems, there were numerous instances where the subject of mental/physical disabilities were addressed by the respondents.

"...some homeless are in denial of needing mental health treatment..."

"...they suffer from duality. By this I mean they are drug addicted and have mental challenges. Society doesn't have enough resources to rehabilitate them but we can still provide them with decent shelter, food, medicine, etc..."

"I think more focus should be placed on prevention and less on trying to rehab the un-rehabable."

"Agencies that deal with providing services to people with disabilities are focused on financial assistance and health care. The agencies are not good referrals for housing needs for people with disabilities."

"Lack of support network..."

"Developers and builders are skeptical as to the need and consider the construction of accessible units a risk."

"...slow responses in awarding disability money, including SSDI, SSI and welfare disability."

"Individuals with disabilities are often in nursing homes and cannot leave because there is insufficient low-income affordable housing."

"Individuals with disabilities have trouble locating housing that meets their needs..."

"Housing searches for people with disabilities...are unnecessarily long and difficult."

"Many homeless cope with mental illness...that prevents them from having a stable, adequate income or using their benefits appropriately."

Racial Streaming - There was only one response that implied racial streaming but should be noted.

"The HA (housing authority) currently continues to pursue a policy with its Section 8 waiting list that...is discriminatory and has a disparate impact upon African-Americans."

"...this has the effect of keeping more African-Americans locked into HA owned properties and unable to secure Section 8 vouchers which would enable them to potentially move into non-poverty saturated and less diverse neighborhoods in the surrounding suburban communities, if they so choose."

Uncooperative Landlords - There were very few comments regarding landlords from the respondents. However, several respondents had very specific complaints.

"...finding landlords that will allow residents to modify their rental units..."

"Section 8 vouchers are good because of the program's portability but landlords would need to want to rent to a person given the housing standards and the low rents."

"...most housing providers do not advertise whether or not their property is accessible and then many who do advertise accessibility do so improperly because the units are not really accessible."

"...housing provider's ignorance of their obligations to grant reasonable accommodations and allow reasonable modifications for those with disabilities."

11.0 CONCLUSIONS, IMPEDIMENTS & RECOMMENDATIONS

Federal Law mandates that every federal entitlement community be responsible for affirmatively furthering fair housing. Federal regulations go further than merely making this a requirement. Local communities must *certify* they will affirmatively further fair housing and assume the responsibility of fair housing planning by conducting an analysis of impediments to fair housing. This report is a search for evidence that a policy, practice,

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standard or method of administration, although neutral on its face, operates to deny equal housing choice to an individual because of their race, color, religion, sex, national origin, religion, familial status or disability. The document produced as a result of this research is generally called the Analysis of Impediments to Fair Housing Choice (AI).

The AI has reviewed a variety of questions that may affect the fair housing "health" of the community. It reviewed the practices and provisions of lending institutions, local housing-related codes and regulations, advertising for housing, past and present fair housing activities, the real estate and rental industry and affordable housing programs and issues. It also reviewed the concerns of affordable housing and how housing policies can affect the low and moderate income population. While some of these concerns, on their face, do not constitute fair housing related concerns, they can have an impact on equal choice in housing.

The availability of housing and housing programs is important to a community. It does little good to provide home ownership programs if lenders that administer the programs require different terms and conditions of certain races, religions or sex. A rental rehabilitation program can offer the opportunity for individuals to live in safe and sanitary housing, but when a landlord/owner discriminates in his choice of tenants because of family status, race, disability, etc. the program does the community little good.

Some may argue that fair housing should only be concerned with the issues of equal choice or that fair housing should have nothing to do with the development of housing programs. Another argument is that Fair Housing Law protects persons based on race, religion, color, sex, national origin, familial status and disability and that other issues such as the source of income, marital status and age has nothing to do with fair housing. However, this is not true. Recent decisions by the courts are indicating that any policy or activity, however neutral on its face, that denies housing is of concern to the court and should be of concern to the community. The impact of fair housing considerations on the development of accessible multi-family housing is another example illustrating this point.

Challenges are also being made in Montgomery County and the City of Kettering regarding age, marital status, sexual preference and the provision of services to low-moderate income (LMI) housing developments. Challenges reflect how fair housing laws and regulations respond and ultimately adapt to the housing concerns of the community. Current challenges should be used as an indicator by the community to adjust established policy to meet the housing needs of the protected as well as the unprotected classes.

We do find that Montgomery County and the City of Kettering have developed a strong working relationship with the Miami Valley Fair Housing Center and the Kettering Board of Community Relations. This relationship allows for a proactive response to community fair housing issues. Many of the programs that each organization offer provides residents with a strong response to their problems. Both the City and the County are encouraged to continue to support and utilize these resources.

Below is a summary of the key findings and identified impediments and related recommendations. The Consultant will both identify resources to implement these recommendations and suggest a feasible timetable.

11.1 NIMBY Issues

Negative attitudes and community hostility is often directed toward group homes, proposed affordable housing units (project - based subsidized housing) and/or affordable single family home developments that are proposed in neighborhoods which are not economically distressed or racially isolated.

The so-called NIMBY syndrome and its cousin BANANA (Build Absolutely Nothing Anywhere Near Anything), present both a formidable challenge and an opportunity to communities and developers of affordable housing and assisted housing. The challenge is obvious: the successful siting of needed housing. The opportunity is subtle, but significant: the administration of the project from its initial planning stages in a way that embodies the respect for human dignity, perseverance and hope.

Recommendation:

1. Create materials for use by the City and County, community-based organizations and the local fair housing agency to help educate residents who have concerns about new or existing group homes, public or assisted housing and other locally unwanted land use for the benefit of LMI households so that residents may better understand the potential benefits of such housing to the community as a whole.
2. Develop a NIMBY packet that can be given to developers of multi-family housing, group homes and other housing that would provide information regarding NIMBY and suggestions on ways to reduce NIMBY for their developments.

11.2 Fair Housing Enforcement

One of the most remarkable characteristics of the County and the City is its dual housing market. For whatever reason, indifference, policies, or outright discrimination, the housing markets have evolved into its present level of segregation. This is especially true in the City of Dayton and shows the power that a large urban center can have on surrounding communities. Whether it is "white-flight", economic or fear, the fact is that the County and City of Kettering continues to be predominately White. We discussed earlier the fact that minority population changed little in where minorities lived between 1990 and 2000 census reports as well as a review of the maps included in this Analysis of Impediments shows that the areas that are predominately minority are also predominantly low-moderate

income.

This is not a new pattern. These are the same neighborhoods that existed 20 years ago. REALTORS®, insurers, lenders, landlords and others in the housing market who discriminate perpetuate these racial and ethnic divisions. Segregation is detrimental to the community by any objective measure. It is costly in both human and economic terms.

To remain "substantially equivalent" to the HUD administrative enforcement process, the County and the City must fully investigate all housing discrimination cases that are not resolved through conciliation and bring enforcement actions when evidence warrants.

As outlined in the fair housing program section of this analysis the City and County continues to receive calls regarding fair housing discrimination, in 2004 there were over four hundred calls regarding housing discrimination issues. To the County and City's credit they use MVFHC as their designated fair housing resource. This organization brings many years of experience and success in fair housing education, outreach and enforcement.

1. In addition to the provision of education and resources on fair housing issues and public forums for citizens to report housing discrimination, maintain and enhance the MVFHC and the Kettering Board of Community Relations capacity to respond to and follow up on matters relating to illegal discrimination, including housing discrimination.
2. Continue to support fair housing testing to ensure that fair housing laws are enforced and meritorious cases brought forward.
3. Increase efforts to collaborate and cooperate between the local government, Ohio Civil Rights Commission, non-profit fair housing enforcement agencies and U.S. Department of Housing and Urban Development in order to; Gather and share information, in a consistent and comparable manner, related to fair housing issues; Assist in further analysis of impediments to fair housing choice; Increase efficiency and effectiveness of fair housing enforcement and education.

11.3 Accessibility

There is a historic lack of compliance with the Federal Fair Housing Act's Design and Construction standards related to accessible housing. This continues to a high concern, especially the reviewing of multifamily housing plans to ensure compliance with those requirements.

The other critical issue today is the need to increase the amount of affordable and

accessible housing stock in the community and to ensure that persons with physical or mental disabilities can fully enjoy their housing. The lack of handicap-accessible housing and the presence of mental or physical disabilities were both cited by the community agencies as significant barriers to their clients' ability to find housing.

The MVFHC has received complaints regarding accessibility issues and feels that there are problems, especially in new construction of multi-family housing. Recently the MVFHC received a grant from HUD to conduct an inventory of multi-family housing regarding accessibility.

Recommendation:

1. Educate developers, non-profit organizations and architects about ways they can enhance the accessibility of existing units and increase the availability of accessible units. Using a similar plan developed with the NIMBY response, a packet of information regarding the responsibilities of the architect, the developer and the builder regarding accessible multi-family construction. This information would systematically inform housing providers and residents about their right to reasonable accommodations and modifications under fair housing law through the development and distribution of materials.

11.4 Insurance Issues

When the distribution of the minority population in the County is compared to the locations of insurance offices, it is obvious that the potential for problems exist. As noted in the Insurance section, the ability to obtain insurance is at the heart of the development of successful home ownership programs, of revitalizing neighborhoods and of assuring an equal housing market. Limiting this ability affects the cities, the lenders, the real estate industry, the sellers and the buyers. The lack of access to insurance undermines redevelopment efforts, locks people out of critical markets and contributes to the concentration of poverty. Again this is an area where the City of Dayton emits the greatest influence on the surrounding area.

Anecdotal information indicates that while this issue is not discussed as much as say predatory lending, it is still a concern of fair housing advocates in the City and County.

Recommendation:

1. Working with MVFHC the City and County should explore ways to determine the extent of insurance redlining issues in the area. One way to do this would be through a study of the home owners' insurance market, if and when

funding could be secured to underwrite such a project, to determine the scope of the problems and to identify potential systemic approaches to eliminate insurance barriers to fair housing choice. The lack of any reporting by the insurance industry also needs to be addressed in this study. Also using the resources of MVFHC and the Kettering Board of Community Relations a focus group could be developed to explore this issue further with the hope of opening a dialogue between advocates and the industry.

11.5 Lending Issues

Lenders are clearly not reaching the minority communities and, when they do receive applications from non-White individuals and families, those applications are more likely to be denied. Even considering that the County's minority population was 10% and that the City of Kettering had an even smaller population the lack of service to minorities is still an issue. Thus the dream of home ownership is still eluding many qualified members of the minority communities, this is a critical issue, since the purchase of a home is the primary way individuals and families build wealth. Without that asset base in the geographic areas with high percentages of minorities, there will be limited community reinvestment, including businesses like grocery stores and other retail services.

Recommendation:

1. Promote quality home ownership education in both English and Spanish, especially aimed at the low and moderate income markets. Encourage the lending industry to conduct an ongoing campaign to increase minority loan applications for the purchase of homes including the provision of education to real estate professionals on the use of community lending products for LMI clientele.
2. Conduct annual reviews of lending institutions using HMDA data to determine if applications from non-White individuals and families are rising and if denial rates are comparable to White borrowers in the same income levels. Identify and develop a means of collecting equivalent data on non-regulated lenders that do not report HMDA data and include them in the annual review. Present a seminar to area lenders, advocates, and others on results of HMDA analysis.

11.7 Real Estate Issues

Geographic steering of Whites and minority groups continues the historic patterns of segregation. The maps showing the minority concentrations in specific census tracts support this conclusion.

Recommendation:

1. Work with MVFHC and the Kettering Board of Community Relations develop education programs in English and Spanish on real estate steering and disparate treatment issues as they relate to the real estate industry. Since White buyers are as likely to be steered away from some areas and towards others, it is important that the educational efforts are community-wide and not just to the non-White members of the community. It is also important that this education program consider all the protected classes under fair housing laws as part of the audience.