

## HOUSING DISCRIMINATION COMPLAINT

**CASE NUMBER:**

(Title VIII)  
(Section 109)  
(Title VI)

### **1. Complainant**

Fair Housing Center of Metropolitan Detroit  
220 Bagley, Suite 1020  
Detroit, Michigan 48226

Representing Fair Housing Center of Metropolitan Detroit  
Thomas Silverstein  
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### **Other Aggrieved Persons**

Low and moderate income residents of Oakland County and the Detroit-Warren-Livonia, Michigan Metropolitan Statistical Area who have been subjected to discriminatory practices and policies by Oakland County on the basis of race, color or national origin.

### **2. The following is alleged to have occurred or is about to occur:**

Denial of housing and making housing unavailable.  
Discrimination in the terms and conditions of housing.  
Perpetuation of segregation.  
Failure to affirmatively further fair housing.

### **3. The alleged violations occurred because of:**

Race, color and national origin.

### **4. Address and location of the property in question (or if no property is involved, the city and state where the discrimination occurred):**

Throughout Oakland County, Michigan.

## **5. Respondents**

Oakland County, Michigan, c/o L. Brooks Patterson, County Executive  
Executive Office Building – 41 West  
2100 Pontiac Lake Road  
Waterford, MI 48328-0409

## **6. The following is a general background to the facts regarding the alleged violation:**

Pursuant to 42 U.S.C. § 3610 of the Fair Housing Act (“FHA”), Complainant Fair Housing Center of Metropolitan Detroit (“FHC”) alleges that Oakland County has failed to comply with civil rights obligations associated with the use of federal housing and community development funds and that Oakland County has: 1) made housing unavailable or otherwise denied housing in violation of 42 U.S.C. § 3604(a); 2) discriminated in the terms and conditions of housing in violation of 42 U.S.C. § 3604(b); 3) violated Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, and regulations promulgated pursuant to that authority, 24 C.F.R. § 1.4; and 4) violated Section 109 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5309.

In addition, Oakland County has failed to comply with its obligation to affirmatively further fair housing (“AFFH”) as required by 42 U.S.C. §§ 3608(e)(5), § 5304(b)(2), 12705(b)(15), and related federal statutes and regulations.

Through the acts and omissions detailed herein, and those to be discovered during the course of HUD’s investigation, including those of municipal sub-grantee recipients of federal housing assistance that the County has failed to effectively monitor, the County has engaged in differential treatment of the ultimate beneficiaries of federal housing and community development funds—including those provided the County under the Community Development Block Grant (“CDBG”) and HOME Investment Partnerships (“HOME”) program—on the basis of race, color and national origin. Furthermore, the County has adopted rules and policies that have the effect of discriminating on the basis of race, color and national origin and that have perpetuated segregation on the basis of race, color and national origin.

The FHC is a nonprofit organization founded in 1977 to investigate complaints of unlawful discrimination in the Detroit metropolitan area, which includes Oakland County. The FHC’s goals include the elimination of unlawful discriminatory housing practices and housing segregation that cause injury to all persons who seek to rent or buy housing units in Oakland County, and to all persons who reside in Oakland County. The discriminatory housing practices have required the FHC to expend its resources identifying and investigating the Defendant’s illegal conduct, and have frustrated the FHC’s mission to ensure residents of the Detroit metropolitan area have the opportunity to live in an integrated community.

## **SPECIFIC FACTURAL BACKGROUND**

## A. Demographic Context:

Oakland County is a large suburban county that is located to the north and northwest of the city of Detroit. According to 2008-2012 American Community Survey 5-Year Estimates,<sup>1</sup> its population of 1,207,097 is 75.0% white, 13.3% African American, 3.5% Latino,<sup>2</sup> with a median household income of \$65,637. The median household income for African American households is \$46,116, and the median household income for Latino households is \$45,777. The median household income for white households is \$69,116. The County stands in stark contrast to the struggling city that it neighbors and the broader metropolitan region.<sup>3</sup> The southern and, in particular, the southeastern portions of the County feature comparatively dense patterns of suburban development while the County's northern and western fringes are more exurban or even rural in character. African Americans within the County are largely concentrated in a handful of communities in the highly developed southeastern corner of the County near the Detroit border. Pontiac, a declining industrial city in the center of the County, is the lone exception to this trend.

Residential segregation in Oakland County is severe, and county-wide housing and community development policies have served to perpetuate and reinforce that pattern, rather than to ameliorate it as required by the Fair Housing Act and the Housing and Community Development Act. A jurisdiction's dissimilarity index provides an additional measure of segregation, indicating the percentage of members of one racial group that would have to move to another Census Tract in order to be evenly distributed with respect to another racial group. As of 2000, the African American-white Dissimilarity Index for Oakland County was 72.6—in other words, 72.6% of all African Americans in Oakland County would have to move to different Census tracts in order to achieve an even racial distribution—indicating a very high level of residential racial segregation.<sup>4</sup>

The County was once all but off limits to people of color because of intentionally discriminatory policies at all levels of government and in the private sector. While it has grown more diverse, increased diversity has not translated into meaningful residential integration. Instead, five majority-minority communities – Lathrup Village (52.8%), Oak Park (63.1%), Pontiac (73.7%), Royal Oak Township (98.0%), and Southfield (74.6%) – account for 62.5% of the County's African American population. Combined, these communities are 59.3% African American and account for 14.0% of the County's population. Although these five communities share some commonalities in terms of their racial and ethnic composition, there are significant economic disparities among them. Lathrup Village is an affluent community with income levels

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<sup>1</sup> Unless otherwise noted, all demographic data presented herein is from the 2008-2012 American Community Survey 5-Year Estimates.

<sup>2</sup> U.S. Census Bureau; American Community Survey, 2008-2012 American Community Survey 5-Year Estimates, Table DP05; generated by Thomas Silverstein; using American FactFinder; <http://factfinder2.census.gov>; (23 October 2014). All demographic statistics in this complaint are from the 2008-2012 American Community Survey 5-Year Estimates unless otherwise noted.

<sup>3</sup> The Detroit-Warren-Livonia, Michigan Metropolitan Statistical Area is 67.8% white, 22.6% African American, and 3.9% Latino. The median household income for the region is \$51,903. The City of Detroit is 8.1% white, 81.8% African American, and 6.9% Latino. Its median household income is \$26,955.

<sup>4</sup> *Racial Residential Segregation Measurement Project*, POPULATION STUDIES CENTER (last visited Feb. 6, 2014), <http://enceladus.isr.umich.edu/race/downcounty.html>.

well above those experienced countywide. Oak Park and Southfield are largely middle-class cities but face economic strains that may be linked to patterns of resegregation. Pontiac and Royal Oak Township are areas of substantial concentrated poverty.

The characteristics of these communities, however, do not mean that African American households in comparatively affluent majority-minority areas do not suffer injury as a result of segregation. Lathrup Village has a median household income of \$86,338 and a median owner-occupied home value of \$158,400. Out of 51 municipalities in the County for which those two data points were available, 21 – over 40% - had lower median household incomes but higher median owner-occupied home values. No municipality – not one – had a higher median household income and a lower owner-occupied home value. Combined, the 21 aforementioned communities have a population of 550,981, 84.4% of which is white and 5.3% of which is African American. Segregation is limiting the potential of Oakland County’s African American middle class to accumulate wealth through homeownership and equity appreciation in Lathrup Village, just as it is perpetuating intergenerational poverty in Pontiac and Royal Oak Township.

Latinos in Oakland County also live in segregated communities. Three communities in the center of the County – the City of Auburn Hills, the City of Pontiac, and Waterford Township – account for 40.3% of the County’s Latino population. These same municipalities are home to just 12.7% of the County’s total population.

#### **B. Aspects of Oakland County’s Housing Market Contribute to Residential Segregation:**

In Oakland County, 56.2% of African American households reside in rental housing. 42.1% of households with Latino households reside in rental housing. 21.0% of households with white households live in rental housing. In the Oakland County Urban County Consortium, which includes 52 municipalities, but excludes the four jurisdictions in the County that are separate entitlement jurisdictions as well as the five communities that refuse federal funds, 55.6% of African American households are renters, 41.5% of Latino households are renters, and 19.6% of white households are renters. Overall, there is significant need for additional multi-family rental housing in the County<sup>5</sup>and because of the proportion of African Americans and Latinos who reside in rental housing, the need for rental housing among these groups in Oakland County is proportionately greater than the need among white households.

Not only are African American and Latino households more likely to rent than are non-Latino white households, but they are also more likely to reside in multi-family housing. In Oakland County, 40.1% of African American households and 24.4% of Latino households, compared to 15.0% of white households, reside in structures with three or more units. In other words, African Americans are 2.7 times as likely as whites to live in multifamily housing, and Latinos are 1.6 times as likely.

In light of the earlier cited disparities in median household income between the County’s African American, Latino, and white residents, policies that limit the supply of affordable multi-family rental housing disproportionately burden African American and Latino households.

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<sup>5</sup> DALE E THOMSON, COMPREHENSIVE HOUSING NEEDS ASSESSMENT FOR OAKLAND COUNTY, MICHIGAN 9-3 (2006).

### C. History of Demonstrable Racial Discrimination in Oakland County

Oakland County has a long and seldom broken history of racial exclusivity. During the decades of the county's most rapid suburban growth following World War II, its significant inner-ring communities had very few African American residents.<sup>6</sup> In some instances, that homogeneity was marketed to prospective homebuyers as a selling point of new subdivisions. Furthermore, that homogeneity was rigorously enforced through racially-motivated community opposition to housing developments that might have fostered integration in the County.<sup>7</sup> Local governments acted to exclude African Americans through zoning and land use policy.<sup>8</sup>

Patterns of residential racial segregation reinforced through racially discriminatory exclusionary zoning have persisted. For example, the City of Birmingham, which receives CDBG funds from Oakland County, continued to use its zoning powers to exclude African Americans through the 1970s, leading to a landmark lawsuit by the U.S. Department of Justice and judicial findings of intentional discrimination.<sup>9</sup> To this day, Birmingham is just 3.3% African American, and only 4.2% of its area is zoned to allow multi-family housing.<sup>10</sup> In the County as a whole, just 2.3% of total area is zoned to allow multi-family housing, and 55.6% of total land is reserved for single-family homes on lots of one-acre or larger.<sup>11</sup> The cost of land and the cost of construction (in terms of materials and labor) are the two primary components of housing costs. Large lot size requirements increase the per-unit cost of land and thus make housing less affordable, resulting in a disproportionate impact on African American and Latino households, which, on average, have lower incomes than white households. Twenty-eight of Oakland County's municipalities have less than 1% of their area zoned for multi-family housing.<sup>12</sup> Land use planning in Oakland County today looks much the same as it did in 1984 when the Sixth Circuit decided *City of Birmingham* and in the 1940s and 1950s when developers touted the homogeneity of the County's municipalities.

More recently, Oakland Township, which is a member of the County consortium and receives CDBG funds from the County, was the subject a lawsuit filed in federal court by the Michigan Paralyzed Veterans of America alleging that the Township had violated the Fair Housing Act, the Americans with Disabilities Act, and various Michigan statutes by denying the plaintiff's request for a reasonable accommodation from the Township's zoning ordinance.<sup>13</sup> The plaintiff sought to develop affordable multi-family housing for veterans with disabilities.

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<sup>6</sup> DAVID M.P. FREUND, COLORED PROPERTY 243 (2007).

<sup>7</sup> *Id.* at 251-83.

<sup>8</sup> THOMAS SUGRUE, THE ORIGINS OF THE URBAN CRISIS 247-248 (1996).

<sup>9</sup> U.S. v. City of Birmingham, 727 F.2d 560 (6th Cir. 1984).

<sup>10</sup> *Birmingham Land Use Statistics Summary*, OAKLAND COUNTY ECONOMIC DEVELOPMENT & COMMUNITY AFFAIRS (last visited Oct. 23, 2014), [http://www.advantageoakland.com/ResearchPortal/Documents/Maps/sum\\_08.pdf](http://www.advantageoakland.com/ResearchPortal/Documents/Maps/sum_08.pdf).

<sup>11</sup> *Oakland County Land Use Statistics Summary*, OAKLAND COUNTY ECONOMIC DEVELOPMENT & COMMUNITY AFFAIRS (last visited Oct. 23, 2014), [http://www.advantageoakland.com/ResearchPortal/Documents/Maps/sum\\_oak.pdf](http://www.advantageoakland.com/ResearchPortal/Documents/Maps/sum_oak.pdf).

<sup>12</sup> *Current Land Use Statistics*, OAKLAND COUNTY ECONOMIC DEVELOPMENT & COMMUNITY AFFAIRS (last visited Oct. 23, 2014), <http://www.advantageoakland.com/Maps/Pages/Land-Use-Statistics-Summaries.aspx>.

<sup>13</sup> Complaint at 1-2, Michigan Paralyzed Veterans of America v. Charter Township of Oakland, No. 14-CV-14601 (E.D. Mich. Dec. 5, 2014).

Oakland Township has not used its CDBG funds to facilitate the development of affordable multi-family housing.<sup>14</sup> According to the County's *Current Land Use Statistics*, just one parcel comprising 0.3% of Oakland Township's land area is zoned for multi-family housing. Just 3.0% of the Township's population is African American, and only 2.8% is Latino.

Additionally, on April 3, 2012, the Planning Commission for the Village of Oxford, another consortium member which also receives CDBG funds from the County, denied a request to rezone two parcels encompassing 12 acres to allow for the development of multi-family housing.<sup>15</sup> On May 8, 2012, the Village Council concurred with the Planning Commission's denial.<sup>16</sup> Just 3.2% of land in the Village of Oxford is zoned for multi-family housing. Members of the Planning Commission stated that they denied the request because of a lack of detailed information from the applicant; however, the minutes from the public hearings, as well as local press coverage, reflect Not In My Backyard opposition from neighbors who posited concerns with respect to traffic and crime for which there was no evidence.<sup>17</sup> The Village of Oxford has not used its CDBG funds to facilitate the development of affordable multi-family housing. Just 0.9% of the Village's population is African American, and only 3.3% is Latino.

Over the last 25 years, Oakland County has contracted with the FHC regarding housing discrimination issues in the County on an intermittent basis. It first contracted with the FHC in 1990 to prepare a Fair Housing Needs Analysis for the County.<sup>18</sup> Subsequently in 2003, the FHC performed an Update of the Analysis of Impediments to the Exercise of Fair Housing Choice for Oakland County.<sup>19</sup> In both of these reports, the FHC outlined the history of housing discrimination complaints in the County as demonstrated by complaint activity filed with the Michigan Department of Civil Rights ("MDCR") and with the FHC itself.

In the FHC's 1990 Fair Housing Needs Analysis, the FHC reported on MDCR complaint activity in Oakland County in the years preceding the report. A total of 82 housing discrimination complaints was filed with the department and although the basis for the claim of discrimination could not always be determined from the exact documentation, from the information that was available, "the vast majority of these complaints (33 of 55 or 60%)...involved allegations of racial discrimination."<sup>20</sup> Significantly in the context of the present complaint, for the type of property involved in the complaints of discrimination, the "vast majority" involved rental units, most often in multi-family rental developments.

The information from the Fair Housing Center's activities was even more revealing than the complaint activity with the MDCR. As reported in the 1990 Oakland County Analysis, there were 93 complaints filed with the FHC in Oakland County including its CDBG communities,

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<sup>14</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, PY 2013 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT App'x C, Township, at 43-45 (2014).

<sup>15</sup> VILLAGE OF OXFORD PLANNING COMMISSION, MINUTES OF APRIL 3, 2012 2-4 (2012).

<sup>16</sup> VILLAGE OF OXFORD, MINUTES OF REGULAR COUNCIL MEETING, TUESDAY, MAY 8, 2012 3-4 (2012).

<sup>17</sup> See, e.g., *id.*; C.J. Carnacchio, *Not in their backyard!*, THE OXFORD LEADER, Apr. 11, 2012.

<sup>18</sup> FAIR HOUSING CENTER OF METROPOLITAN DETROIT, OAKLAND COUNTY FAIR HOUSING NEEDS ANALYSIS (June 18, 1990).

<sup>19</sup> FAIR HOUSING CENTER OF METROPOLITAN DETROIT, 2003 UPDATE TO THE ANALYSIS OF IMPEDIMENTS TO THE EXERCISE OF FAIR HOUSING CHOICE FOR OAKLAND COUNTY (July 31, 2003).

<sup>20</sup> FAIR HOUSING CENTER OF METROPOLITAN DETROIT, *supra* note 18, at 7-8.

prior to date of the report, with 55% of the complaints involving allegations of race discrimination.<sup>21</sup> Significantly, of the complaints made to the FHC, 83% involved rental properties. The results from the testing evidence were compelling as to the extent of racial discrimination, as the FHC noted in its report:

In other words, in tests in which units were actually available for at least one of testers, the protected tester (in most instances, the Black tester) was discriminated against 63% of the time – an alarming and very significant level of differential treatment.<sup>22</sup>

In addition to investigating complaints of discrimination, the FHC also performed “survey” tests, i.e., random tests of various properties in municipalities that participate in Oakland County’s CDBG consortium, including testing of rental properties and testing of sales of individual homes. From this testing evidence, the FHC found evidence that African American testers were discriminated against 49% of time when seeking housing in Oakland County communities.<sup>23</sup>

The findings of the Fair Housing Center in its 2003 Oakland County Fair Housing Analysis Update differed little from the earlier 1990 report. Analysis of complaint activity from the MDCR showed that there were 80 complaints of discrimination filed with the MDCR over the 13 year period of time with 53 of the 80 complaints involving rental properties.<sup>24</sup> During that same 13 year period of time, the FHC received 440 complaints of discrimination involving Oakland County and its CDBG communities. Of these 440 complaints, 46% or 248 of the 440 complaints involved allegation of unlawful discrimination based upon race. Equally important, 351 of the 440 complaints, or 80%, involved rental properties, including 287 at multi-family complexes.<sup>25</sup> The FHC has played a role in 108 lawsuits alleging housing discrimination in 24 different municipalities in the County since 1977. Race was the primary basis of the allegation of discrimination in 84 or 77.8% of those cases, and 96 or 88.9% of the cases involved rental housing transactions. By contrast, 66.9% of the FHC’s cases outside of the County involved allegations of race discrimination, and 69.1% concerned rental transactions.

From this history of actual complaint activity involving Oakland County and its CDBG communities, there exists clear and convincing evidence of significant discrimination against African American home-seekers in the County, with the evidence demonstrating that such discrimination more substantially involves rental properties and multi-family housing projects rather than individual home sales. Oakland County has not commissioned testing to study the extent of housing discrimination within its boundaries since 2003. As a result, more current data is not available.

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<sup>21</sup> *Id.* at 9-10.

<sup>22</sup> *Id.* at 11.

<sup>23</sup> *Id.*

<sup>24</sup> FAIR HOUSING CENTER OF METROPOLITAN DETROIT, *supra* note 19, at 9-11.

<sup>25</sup> *Id.* at 11-12.

## OAKLAND COUNTY'S POLICIES AND PRACTICES RELATING TO FEDERAL HOUSING AND COMMUNITY DEVELOPMENT FUNDS DISCRIMINATE ON THE BASIS OF RACE AND NATIONAL ORIGIN

### A. Oakland County's Discriminatory Housing Practices:

Over the 25 years since the FHC provided its initial Fair Housing Needs Analysis, Oakland County has consistently and systematically discriminated against racial minorities in its expenditure of federal housing and community development funds. Over this 25-year period of time, the County has nearly *exclusively* used significant amounts of federal housing and community development funds on owner-occupied housing and on non-housing needs to the virtual exclusion of support for rental housing,<sup>26</sup> when in fact, the County's housing needs assessments have consistently demonstrated the need for more multi-family rental housing. Moreover, the historical evidence of housing discrimination in the County involves rental housing and more particularly multi-family rental housing.<sup>27</sup>

The County's failure to provide adequate rental housing is stark. Since the County began receiving HOME funds in 1992, it has produced one rental unit and provided tenant-based rental assistance for zero units.<sup>28</sup> By contrast, 81 households have received homebuyer assistance, and 2,429 households have received rehabilitation assistance. This policy has in principle, and in fact, had a significant disparate impact on African American residents of Oakland County and of the Detroit – Warren – Livonia MSA and has perpetuated residential racial segregation in violation of Section 804(a) of the Fair Housing Act. Policies or practices that have a disparate impact on members of a protected class violate the Fair Housing Act if the respondent does not have a legally sufficient justification for the policies or practices and there no less discriminatory alternatives to these policies and practices. 100 C.F.R. § 100.500. The discriminatory impact of Oakland County's policies as related to federal housing and CDBG funding can readily be seen.

Although in its 2013 Consolidated Award Performance and Evaluation Report (CAPER), the County asserts that its chief goal is to create decent and affordable housing for low and moderate income households, by "expanding and preserving the supply of rental and owner-occupied housing,"<sup>29</sup> in fact the County has done nothing over the 40 years it has been a HUD "Urban County" recipient to preserve and increase the supply of rental homes. Such a policy adversely impacts African American and Latino households, as 56.2% of African American households and 42.1% of Latino households reside in rental housing. In furtherance of this discriminatory policy, Oakland County devotes 75% of its HOME funds to the rehabilitation of owner-occupied units.<sup>30</sup>

In light of the fact that the majority of Oakland County's African Americans and a substantial minority of Latinos live in rental housing, the results of Oakland County "owner-

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<sup>26</sup> U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, SNAPSHOT OF HOME PROGRAM PERFORMANCE—AS OF 06/30/14: OAKLAND COUNTY, MI 2 (2014).

<sup>27</sup> See text accompanying notes 6-25 *supra*.

<sup>28</sup> U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, *supra* note 26, at 2.

<sup>29</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 14, at 4.

<sup>30</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, PY 2014 ANNUAL ACTION PLAN 24 (2014).



occupied” rehabilitation policy are graphic. Based upon information from the 2012 CAPER, 59 housing units in Oakland County received funds for the rehabilitation of homes during the time period covered by the 2012 CAPER. Of the 59 rehabilitated units, 57 belonged to whites and only two belonged to African Americans, with the resultant impact being a further perpetuation of segregated housing within the County.<sup>31</sup> In 2013, the disparity was only slightly less extreme. Of 101 unit completions, 86 units were occupied by white homeowners, and 10 belonged to African American homeowners.<sup>32</sup> Of the 2,429 households that have been assisted since 1992, 87.9% are white, 8.8% are African American, and 2.0% are Latino. As a result of the design of the County’s program, African American and Latino households have been denied HOME assistance at levels commensurate with their share of the County’s population and, more to the point, the County’s low-income population. Further demonstration of the discriminatory effect of Oakland County’s chosen policies is found in the Community Housing Development Organization (CHDO) set aside, where 15% of such set-aside is eligible for use on rental housing in addition to owner-occupied housing. Despite that set-aside, in fact just one unit of rental housing has been established since the implementation of the set-aside in a county of over 1.2 million people.

The County’s discriminatory policies with respect to multi-family housing are not limited to the way the County directly uses its federal and CDBG funds, but extend to the 52 Oakland County communities that are members of the Urban County Consortium and receive their funds through the County. Oakland County itself uses 33% of its CDBG funds for the rehabilitation of owner-occupied housing and grants 67% of its CDBG funds to municipalities on a formula basis.<sup>33</sup> The County is aware that many of these local communities have zoning and land use restrictions that have the effect of discouraging or altogether preventing the creation of low cost affordable multi-family housing developments within their communities.<sup>34</sup> While Oakland County has regulatory responsibility for how the local municipalities use the CDBG funds, the County, for the most part, has abdicated this responsibility, leaving the expenditure of such funds to the municipalities’ discretion. It is thus no wonder that none of the municipalities who receive CDBG funds through Oakland County devote funds to rental housing needs.

Furthermore, in the County’s Consolidated Plan and Annual Action Plans, the County has consistently rated support for owner-occupied housing as a high priority, while listing various rental programs as medium or low priorities. This high priority for the rehabilitation of owner-occupied homes flies in the face of its own data on the need for such home-owner rehabilitation programs. The County’s 2012 CAPER cites to data provided by the American Housing Survey regarding housing conditions for the County as a whole. The CAPER states the following: “Generally, the data suggest that physical problems with housing in the County are modest.”<sup>35</sup> The County’s continuing emphasis on the rehabilitation of owner-occupied housing, also flies in the face of the sentiments of housing and community stake-holders. The County’s Consolidated Plan and Annual Action Plans are replete with commentary from these housing and

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<sup>31</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, PY 2012 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT 32 (2013).

<sup>32</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 14, at 66.

<sup>33</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 30, at

<sup>34</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, PY 2011-2015 CONSOLIDATED PLAN 120-21 (Mar. 16, 2011).

<sup>35</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 31, at 32.

community stake-holders who assert that there is a greater need for affordable rental housing.<sup>36</sup> While the County has acknowledged these concerns, it has steadfastly refused to act on them or has invested such minimal resources to resolving the concerns as to amount to a refusal to act.

In its 2012 CAPER, the County recognized that Local Community Housing Development Organizations (CHDOs) have asked the County to consider funding tenant based rental assistance (“TBRA”).<sup>37</sup> The County responded as follows: “While tenant rental assistance is a recognized need, “single family homeowner rehabilitation has been identified as a priority need.” There is no information as to how such a determination was made. Even in a report commissioned by the County in 2006 entitled Comprehensive Housing Needs Assessment for Oakland County, Michigan, the author notes that insufficient funding has been made available for providing affordable housing in the County and proactive steps need to be taken by the government and the private sector to “ease the housing costs burden faced by many residents and help the County ensure its long-term sustainability as a community of choice for business and residents.”<sup>38</sup> Despite input from the community and from its own experts, the County has only made a token investment in rental housing, limiting such funding to the rehabilitation of small multi-family structures of 11 units or fewer.

## **B. The Impact of the County’s Discriminatory Actions**

Based upon the County’s historical exclusion of minorities or the limitation of minorities to a few its communities, Oakland County’s policy of using its federal housing and community development funds almost exclusively for single family housing rehabilitation continues this historical segregation. While the purpose of the federal housing and community development funds is to provide affordable housing, including affordable housing for minorities, Oakland County’s use of such funds has the opposite effect. The County’s consultants note that affordable housing issues vary noticeability by race/ethnicity with affordability issues being far more prevalent among Black and Hispanic households than others.<sup>39</sup> Further, in both Oakland County and in the MSA as a whole, African American and Latino households are far more likely to 1) reside in rental housing; 2) reside in multi-family housing; and 3) have incomes that qualify them for subsidized housing than are white households.

Based upon the demographics of the Detroit – Warren – Livonia MSA, African Americans are under-represented in Oakland County. Within Oakland County, African Americans and Latinos are substantially concentrated in a small minority of municipalities, with many of the other municipalities, particularly those in the outlying areas, having virtually no African American or other minority residents. The County as a whole and the outlying municipalities in particular, have zoning and use restrictions which heavily skew the housing stock toward detached owner-occupied single-family housing to the exclusion of affordable multi-family rental housing. As compared to programs that invest in creating subsidized rental housing opportunities in areas where there is a dearth of such housing, the effect of such policies as established and continued by Oakland County for a lengthy period of time (40 years) by

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<sup>36</sup> See OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 34, at 32.

<sup>37</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 31, at 26.

<sup>38</sup> DALE E THOMSON, *supra* note 5, at 4-9.

<sup>39</sup> *Id.* at xi.

investing in preserving the tenure of existing owner occupants continues the status quo by reinforcing segregated living patterns. Lastly, Oakland County's policy of limiting subsidized rental opportunities – to the extent that such exist and which are more likely than market-rate housing to be in multi-family developments – disproportionately denies housing on the basis of race and national origin. The promotion of a segregative status quo pervades every aspect of Oakland County's use of federal housing and community development funds to the detriment of blacks and other minorities who are in great need of the affordable housing and whose need motivated the creation of the relevant federal programs.

### **C. Oakland County's Justifications for its Discriminatory Policies**

In its planning documents, Oakland County has posited the following justifications for its prioritization of owner-occupied housing over rental housing:

- Home ownership promotes neighborhood stability to a greater extent than rental housing;<sup>40</sup>
- Owners of rental housing have weak incentives to maintain their properties;<sup>41</sup> and
- Tenant Based Rental Assistance (TBRA) provides a lower return on investment than other activities.

None of these purported justifications are supported factually. None of the County's planning documents cite empirical studies that support these conclusions. With respect to neighborhood stability, the County fails to recognize that any stabilizing role played by homeownership is negated when homeownership is unaffordable for low-income households as a result of predatory mortgage lending practices. And while the County acknowledges that for some households renting an affordable unit may be the most stable form of tenure, it has allocated virtually no federal funding to support such housing.<sup>42</sup>

### **D. Less Discriminatory Alternatives to Oakland County Discriminatory Policies**

For each of Oakland County's proffered policy justifications, there are alternative policies that would have a less discriminatory effect than providing substantially all of its funding to the rehabilitation of single-family housing to the virtual exclusion of providing funding needs for rental. There is also evidence that the justifications are weak. The following set forth less discriminatory alternatives while demonstrating the weakness of the County's justifications.

Policies that ensure long-term affordability in rental housing, that protect against improper evictions, that enable low-income workers to reside near their places of employment, and that include tenants in neighborhood institutions all promote neighborhood stability with a less discriminatory effect. Additionally, neighborhood stability is undermined by a homogeneous housing stock that limits options for young

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<sup>40</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 34, at 67.

<sup>41</sup> *Id.* at 68.

<sup>42</sup> *Id.* at 61.

people, elders, and persons with disabilities who are from a given community but may not be able to afford owner-occupied single-family homes within that area.

Maintenance concerns also do not justify prioritizing owner-occupied housing assistance because alternative policies – such as code enforcement (which the County funds indirectly through its municipalities’ CDBG activities) – could address that issue with less discriminatory effect. Additionally, in light of the fact that most affordable housing development involves layered subsidies, affordable rental housing development under HOME is likely to include subsidies through other programs (such as the Housing Choice Voucher Program) that have higher property maintenance standards than exist for market rate homes. This justification is grounded in stereotype rather than empirical fact.

Although TBRA may not provide the greatest return on investment if it is the only subsidy in a development, subsidy layering that involves TBRA may actually maximize return on investment through other programs such as the Low Income Tax Credit program.

**OAKLAND COUNTY HAS VIOLATED THE DUTY TO AFFIRMATIVELY FURTHER FAIR HOUSING AND HAS FALSELY CERTIFIED THAT IT IS IN COMPLIANCE WITH THE OBLIGATION IN ITS REQUESTS FOR U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD) FUNDS**

**A. As a recipient of federal housing and community development funds through the CDBG, HOME, and ESG programs, Oakland County has a legal duty to affirmatively further fair housing.**

Oakland County has been a Participating Jurisdiction (PJ) for the CDBG program since 1975 and for the HOME program since 1992. The County also receives funds through the Emergency Solutions Grant (ESG) program. The County’s current Consolidated Plan has been in effect since the start of Fiscal Year 2011 and will continue to guide its housing and community development activities through the end of Fiscal Year 2015. For the first four years of that timeframe, Oakland County has received a combined \$14,451,590 in CDBG funds, \$6,314,711 in HOME funds, and \$1,129,132 in ESG funds, a total of \$21,895,433 in federal housing and community development funds.<sup>43</sup>

The Housing and Community Development Act of 1974, which authorized the creation of the CDBG program, contains detailed planning and reporting requirements for PJs such as Oakland County. In particular, 42 U.S.C. § 5304(b)(2) requires CDBG PJs to include a certification that “the grantee will affirmatively further fair housing” in their Consolidated Plans. The Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. § 12705(b)(15), requires HOME grantees to certify that they will affirmatively further fair housing, as well. By regulation,

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<sup>43</sup> \$3,707,330 in CDBG funds, \$2,238,784 in HOME funds, and \$301,785 in ESG funds. For Fiscal Year 2013, Oakland County received \$3,714,792 in CDBG funds, \$1,476,127 in HOME funds, and \$257,173 in ESG funds from HUD. For Fiscal Year 2012, Oakland County received \$3,525,192 in CDBG funds, \$1,096,668 in HOME funds, and \$303,461 in ESG funds. For Fiscal Year 2011, Oakland County received \$3,504,276 in CDBG funds, \$1,503,132 in HOME funds, and \$266,713 in ESG funds.

HUD requires HOME and ESG PJs to comply with the CDBG program's Consolidated Plan requirement, including the civil rights certification requirement of 42 U.S.C. § 5304(b)(2).<sup>44</sup>

Additionally, under 42 U.S.C. § 3608(e)(5), the Secretary of HUD has a duty to affirmatively further fair housing through the administration of federal housing and community development programs. Under the Fair Housing Act, HUD grantees are subject to the same obligation. *See Otero v. New York City Housing Authority*, 484 F.2d 1122, 1129-30 (2d Cir. 1973). As a recipient of CDBG, HOME, and ESG funds, Oakland County is subject to a requirement under the Fair Housing Act that it affirmatively further fair housing and a requirement under the Housing and Community Development Act and the Cranston-Gonzalez National Affordable Housing Act that it certify its compliance with the duty to affirmatively further fair housing.

Oakland County has repeatedly expressly certified that it is in compliance with the duty to affirmatively further fair housing in documents including, but not limited to, its 2014 Annual Action Plan,<sup>45</sup> its 2013 Annual Action Plan,<sup>46</sup> and its 2011-2015 Consolidated Plan.<sup>47</sup> Additionally, the County has impliedly certified that it is in compliance with the duty to affirmatively further fair housing in all of its submissions to HUD requesting permission to draw down funds since 2011.

**B. Since 2011, Oakland County has not affirmatively furthered fair housing and its certifications of compliance with the duty to affirmatively further fair housing are false and material.**

In 24 C.F.R. § 91.225(a)(1), HUD defined the duty to affirmatively further fair housing to require jurisdictions to “conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.” Federal courts have consistently interpreted the requirement to affirmatively further fair housing in 42 U.S.C. § 3608(e)(5) to mean that HUD and its grantees must take proactive steps to foster residential racial integration<sup>48</sup> and that residential racial segregation is a quintessential impediment to fair housing choice under 24 C.F.R. § 91.225(a)(1).<sup>49</sup>

HUD further defined the contours of the required analysis of impediments to fair housing choice (AI) in its Fair Housing Planning Guide.<sup>50</sup> The Planning Guide, in part, defines the AI to include an assessment of “opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability, and national origin.” This term in the

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<sup>44</sup> *See* 24 C.F.R. § 91.2(a).

<sup>45</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 30, at 223.

<sup>46</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, PY 2013 ANNUAL ACTION PLAN 60 (2013).

<sup>47</sup> OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 14, at Appendix B.

<sup>48</sup> *N.A.A.C.P., Boston Chapter v. Secretary of Housing & Urban Development*, 817 F.2d 149, 158 (1st Cir. 1987) (holding that the test for determining whether HUD has violated 42 U.S.C. § 3608(e)(5) is whether the department's pattern activity over time reveals a failure to promote integration); *Otero*, 484 F.2d at 1133.

<sup>49</sup> *U.S. ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County*, 668 F. Supp. 2d 548, 552 (S.D.N.Y. 2009).

<sup>50</sup> U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, FAIR HOUSING PLANNING GUIDE (1996).

Planning Guide is an attempt to implement the consistent judicial decisions holding that the duty to affirmatively further fair housing requires HUD and its grantees to promote residential racial integration. The Planning Guide identifies many examples of policies that commonly impede fair housing choice by stymying integration. These include but are not limited to violations of the Fair Housing Act, NIMBYism, building codes, site approval standards, property tax policies, zoning ordinances, housing rehabilitation policies, site and neighborhood standards for new affordable housing, and activities that cause displacement.

Additionally, the Planning Guide addresses procedural aspects of the AI, including how often PJs should conduct AIs and the range of stakeholders whose input should be solicited during the drafting process. PJs are expected to publish a new AI each time they approve a new Consolidated Plan. Oakland County produces a new Consolidated Plan every five years. Accordingly, the County should produce a new AI at least every five years. Oakland County published the last document that it refers to as an AI on November 5, 2008, approximately six years ago. As discussed *infra*, that document is clearly inadequate. The last substantial, albeit limited, attempt that Oakland County made at developing an AI was in 2003 – 11 years ago.

The Planning Guide indicates that, in developing an AI, PJs should consult with Fair Housing Organizations, Other Governments, Advocacy Groups, Housing Providers, Banks and Other Financial Institutions, Educational Institutions, Other Organizations, and the General Public. The 2008 document reflects consultation with the Citizens Advisory Council for Community & Home Improvement and the Housing Subcommittee of the Oakland County Business Roundtable Quality of Life Committee. There is no evidence that Oakland County consulted with the vast majority of types of stakeholder organizations listed in the Planning Guide. Oakland County's failure to undertake meaningful efforts to solicit public participation contributed to the inadequacy of the 2008 attempt at developing an AI.

**1. Oakland County's November 5, 2008 "Analysis of Impediments to the Exercise of Fair Housing Choice" is deficient.**

The Oakland County Community & Home Improvement Division published its "Analysis of Impediments to the Exercise of Fair Housing Choice: 2007-2008 Update for Oakland County 'CDBG Urban County Communities'" on November 5, 2008. The document, which is not posted on the County's website, is only nine pages long, and two of those pages consist of a title page and a table of contents. At that length, the document is much shorter than most jurisdictions' AIs. Its cursory nature results in several major substantive gaps.

**a. The November 5, 2008 "Analysis of Impediments to the Exercise of Fair Housing Choice" does not contain an adequate discussion of demographic data.**

First, there is no demographic data included in the body of the report, and the data included in the appendices is inadequate. Demographic data is a core component of any AI and provides an objective basis for assessing the validity of the conclusions that an AI draws with respect to what impediments to fair housing choice exist and what actions would best address those impediments. The appendix entitled "Demographic Data by Race" merely includes the race

and national origin concentrations for the communities that participate in Oakland County's Urban County Consortium. Many important data points that would further contextualize that information, such as the dissimilarity and isolation indices, or translate it into terms that are more directly relevant to fair housing, such as tenure by race or median household income by race, are missing from the appendix. The dissimilarity and isolation indices are essential components of any AI since, as discussed *supra*, the primary purpose of an AI is to assess the prevalence of residential racial segregation and to provide a planning basis for counteracting such patterns. Dissimilarity and isolation are the primary metrics that sociologists use to determine the magnitude of segregation.

Although the "Oakland County Housing Needs Assessment" includes much more demographic data (though still not key metrics like dissimilarity and isolation) than the "Demographic Data by Race" appendix, that information is buried in a report that is several hundred pages long and only intermittently addresses fair housing issues. Oakland County's attempt to incorporate this housing needs assessment fails in light of the unwieldiness of the document and the absence of citations to particular pages within the document. The County would not be wrong to rely on work that it contracted for in connection with the housing needs assessment, but, in order to create a transparent document in which the impediments and corrective actions logically follow from the data, it would have needed to excerpt material from the housing needs assessment and include such passages in the body of the November 5, 2008 document itself.

In addition to including inadequate information and doing a poor job of incorporating what data there is in the appendices, the data the 2008 document relies upon were outdated by the time document was created. The appendices relied upon the 2000 Census to support conclusions about the state of Oakland County in 2008. By that point in time, data from the 2005 American Community Survey 1-Year Estimates had been available to the County for approximately two years, and data from the 2005-2007 American Community Survey 3-Year Estimates was becoming available. This data would have allowed the County to both accurately assess the current state of its demographics and to evaluate how the County had changed since the 2000 Census.

Furthermore, even if the inclusion of data in the appendices were adequate, the omission of segregation indices were not a fatal flaw, and the outdated nature of the data did not undermine its utility, the 2008 document does not analyze the incorporated data in any meaningful way. Only when data is analyzed from a fair housing perspective can its policy implications become clear. For instance, the appendix entitled "Demographic Data by Race" clearly shows that certain Oakland County communities have disproportionate shares of African American residents while most others have extremely small African American populations. This type of dynamic is a hallmark of residential racial segregation, yet there is no discussion of segregation in the document.

- b. The 2008 document consistently fails to draw connections between the issues it addresses and protected class status under the Fair Housing Act.**

The limited 2008 document does not discuss or analyze the role of race or other protected classes in the housing market as it is required to do. Although several of the impediments identified are relevant to issues faced by members of protected classes, the relationship between those impediments and groups protected under the FHA is entirely omitted. Instead, the barriers focus on affordable housing. As this complaint explains and the *Westchester* decision confirms, the type and location of affordable housing assisted with federal funds determines whether affordable housing furthers fair housing, not just its mere existence. Additionally, the actions that the document describes the County as having taken generally do not specifically address the role of discrimination on the basis of protected class status. To the extent that they do, they are vague and refer to protected classes generally rather than specific groups, such as African Americans, Latinos, and persons with disabilities, who face barriers to housing in Oakland County. The proposed actions only describe subtle tweaks to the existing discriminatory policy of promoting owner-occupied housing to the exclusion of rental housing.

**c. The 2008 document’s discussion of key issues, such as exclusionary zoning, is either missing or too vague to provide a basis for action.**

The 2008 document notes that local zoning and land use restrictions present primary regulatory barriers to the development of affordable housing and states that these barriers impede fair housing choice. The document notes, as the 2006 Comprehensive Housing Needs Assessment had as well, that further investigation into these regulatory barriers at the local level would facilitate attempts to remove them. However, that investigation should have been a core facet of the purported AI itself, not an action deferred until a later date. Oakland County failed to do even that much. The type of study envisioned in the needs assessment was not called for in the actual conclusion to the 2008 document, and nothing in the County’s subsequent reporting documents indicates that it has conducted such a study or taken action to overcome barriers identified through such a study.

The 2008 document contains only fleeting reference to Oakland County’s administration of federal housing and community development funds. The County’s role in funding CHDOs, which is a bare minimum statutory requirement, and in providing first-time homebuyer assistance is briefly noted; however, the document does not contain any discussion or analysis of how these or other county programs, most notably the Home Improvement Program, intersect with fair housing issues. If the County would have included such content, as this complaint did *supra*, the clear discriminatory and segregative effect (and missed opportunities for promoting integration) represented by the County’s policies for the use of federal housing and community development funds would have emerged as an impediment to overcome through corrective actions.

Illegal discrimination in the housing market is not listed as an impediment despite clear evidence of the problem in the FHC’s complaint data. Additionally, Oakland County did not include fair housing complaint data from HUD and the Michigan Department of Civil Rights. In prior AIs, such data had corroborated the trends that were apparent in the FHC’s data. Principally, there have been persistently high levels of discrimination on the basis of race with respect to rental units in Oakland County. The 2008 document briefly notes this pattern, along with disability discrimination in rental properties, but fails to include such discrimination as an



impediment. As a result, the corrective actions proposed in the document are not appropriate means of addressing the problem.

**d. The 2008 document was developed without adequate public participation.**

Oakland County included input from the Citizens Advisory Council for Community & Home Improvement and the Housing Subcommittee of the Oakland County Business Roundtable Quality of Life Committee in the 2008 document, but there is no evidence that the County engaged with any other stakeholder organizations or conducted public hearings for individual residents during the drafting process. Both consulted entities are parts of the County government, and neither represents protected class members. All other types of stakeholders included as suggested targets for outreach in HUD's Fair Housing Planning Guide were neglected.<sup>51</sup> Most critically, aside from complaint data, the 2008 document does not reflect input from the FHC.

An AI developed with adequate public participation would have involved, at a minimum, targeted outreach to the FHC, legal services providers, civil rights organizations, disability advocacy organizations, affordable housing advocacy organizations, affordable housing developers, disability service providers, and housing and community development officials from neighboring jurisdictions and the region, most importantly the City of Detroit and the Southeast Michigan Council of Governments. By consulting with such stakeholders, Oakland County could have made the connections to protected class status and attained the level of detail and specificity necessary for an effective AI. The County also could have gained a more robust sense of how its policies and those of its grantees discriminatorily affect households in neighboring jurisdictions.

**2. Oakland County's housing and community development policies perpetuate residential segregation rather than promoting residential integration and are inconsistent with the duty to affirmatively further fair housing.**

As discussed *supra*, Oakland County's policy of nearly exclusively using federal housing and community development funds for the rehabilitation of owner-occupied housing has a discriminatory effect on the basis of race, color and national origin and perpetuates segregation. It does so even though the duty to affirmatively further fair housing obligates PJs like Oakland County to take proactive steps to foster residential integration through the administration of federal housing and community development funds. In other words, Oakland County would be noncompliant with the duty to affirmatively further fair housing if it was merely guilty of inaction with respect to the remediation or perpetuation of segregation. The County's violation of the duty is particularly flagrant in light of how it has proactively taken steps to directly undermine fair housing choice for African American and Latino households.

Oakland County devotes 1/3 of its CDBG funds and 3/4 of its HOME funds to the rehabilitation of owner-occupied housing. Under the County's Consolidated Plan and Annual Action Plans, just 10% of its HOME funds are eligible for use in rental housing, and, in reality, far less than that amount has gone to support rental housing. Since the County began to permit

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<sup>51</sup> *Id.* at 2-12-2-14.

the CHDOs to rehabilitate rental units, only one such unit has been preserved with HOME funds. Additionally, in comparison to the amounts of funding at stake in the CDBG and HOME programs, the amount of ESG funding that goes to rental assistance is *de minimis*.<sup>52</sup> The County does not have a housing authority and, as a result, does not manage any public housing units or Housing Choice Vouchers.

Additionally, Oakland County allocates the remaining 2/3 of its CDBG funds to local governments that are participating jurisdictions in its Urban County Consortium on a formula basis. Like Oakland County, these units of local government generally do not expend their funds on either the production or preservation of affordable rental housing. The only nominal exception to this overall trend has been the expenditure of \$4,600 by the City of Northville to replace the emergency call system at the Allen Terrace public housing development in that city in Fiscal Year 2011.<sup>53</sup> Upon information and belief, Oakland County has not acted to ensure that its sub-grantee participating jurisdictions administer their funds in a manner that affirmatively furthers fair housing by expanding access to affordable housing outside of areas of African American and Latino population concentration.

Programs that support owner-occupied housing at the expense of rental housing inherently reinforce existing patterns of occupancy and reduce the potential for mobility. Since Oakland County's existing demographic composition is highly segregated, both as a predominantly white county in contrast to a more diverse region and as a geographic area within which there are pockets of minority population concentration as well as nearly all-white enclaves, reinforcing existing patterns of occupancy effectively perpetuates segregation. By contrast, increasing the supply of rental housing, particularly through the HOME program which requires affirmative marketing of the units, has the potential to attract new residents – both to Oakland County from neighboring jurisdictions and to predominantly white communities within Oakland County from diverse communities in the County. By structuring its participation in federal housing and community development programs in such a way as to perpetuate and eliminate the potential to foster integration, Oakland County has violated the duty to affirmatively further fair housing.

### **Continuing Violation**

As outlined above, Oakland County has engaged in one or more acts of discrimination on the basis of race and national origin in the two years preceding the filing of this complaint. In addition, the County's actions since 2008, as outlined herein, constitute a continuing violation of the Fair Housing Act and related civil rights statutes mentioned above. As a consequence, HUD has the authority under those statutes to investigate the County's actions and inactions during the past six years, and to take necessary and appropriate action to enforce the County's civil rights obligations and to provide appropriate relief to the Complainant.

### **Conclusion**

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<sup>52</sup> Over the period of FY 2010 through FY 2013, Oakland County spent just \$75,771.75 in ESG funds on rental assistance. OAKLAND COUNTY COMMUNITY & HOME IMPROVEMENT DIVISION, *supra* note 14, at 79.

<sup>53</sup> *Id.* at Appendix C, Project Summaries, City, 41.

Because of its failure to conduct a compliant AI, Oakland County cannot currently make an AFFH certification that can be “satisfactory to the Secretary.” The County’s failure to conduct the AI necessary to make a fair housing certification is particularly troubling when it appears the County should have been aware of this failure and yet still certified to its compliance from FY 2008 to FY 2014. As well, the County’s continued failure to conduct an AI in conjunction with its 2011-2015 Consolidated Plan despite a statement in its purported 2008 AI that it would do so constitutes evidence that substantially challenges Oakland County’s certification of future performance, sufficient to support a determination that the County has not made a certification that it will affirmatively further fair housing that can be satisfactory to the Secretary. 24 C.F.R. § 570.304.

Under all applicable laws and regulations, the Secretary has not only the authority, but also the obligation and responsibility to review the County’s submissions and certifications in application for federal housing and community development funds, and to enforce compliance with CDBG program requirements and the intent of Congress.

For the reasons set forth above, we request that HUD find that Oakland County has violated the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Housing and Community Development Act of 1974, deem the County’s certifications insufficient to support the obligation of CDBG, HOME, and other federal housing and community development funds at this time, and to withhold those funds until such time as the County complies with its obligations under the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Housing and Community Development Act of 1974. The complainants also seek those additional remedies available under the relevant statutes, including damages, attorneys’ fees, and costs.

Dated: May 15, 2015

Respectfully submitted,

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