

SECTION VI AFFIRMATIVELY FURTHERING FAIR HOUSING

The purpose of the City's Fair Housing Program is to provide services designed to affirmatively further fair housing objectives of Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1968, as amended, and other relevant federal, state, and local fair housing law. "Affirmatively further fair housing" means that the city will actively work to reduce illegal housing discrimination that can effectively lock out a person from housing for which they are qualified. The program promotes equal housing opportunities through counseling, training, and research to identify fair housing impediments.

Detroit CDBG and HOME programs directly further fair housing by making funds available to low-moderate income households to rehabilitate or to purchase and rehabilitate homes. In addition, the funds are provided to construct new housing for low income persons and to assist low income persons with rent subsidies. All these programs are designed primarily to increase the housing opportunities for low income persons. However, they are also implemented to promote fair housing in the City.

The City works directly with the Metropolitan Detroit Fair Housing Center to insure that cases of discrimination in housing are investigated and, when necessary, prosecuted in court. The City refers the fair housing complaints it receives to the Fair Housing Center.

The City has contracted with the Detroit Alliance for Fair Banking to work with financial institutions and persons needing mortgages. During 2003-04, the Alliance did the following:

- Participated in the WOW initiative – With Ownership Comes Wealth regarding predatory lending issues.
- Attended the National Community Reinvestment Coalition conference regarding the Community Reinvestment Act.
- Hosted financial literacy, predatory lending and fair housing workshops on a weekly basis.
- Negotiated Community Action Plan agreements with major banks within the City of Detroit to provide loan and service opportunities to low- and moderate-income residents and neighborhoods.
- Met with Senator Carl Levin and Congressman John Conyers, to discuss changes to the Community Reinvestment Act and how it will affect their constituents they represent.
- Met with the Council of Baptist Pastors to address the Community Reinvestment Act.

- Moderated and facilitated several workshops for the Booker T. Washington Business Association.
- Participated in the Junior Achievement's Accounting Blitz, which was provided in several Detroit Public Schools.
- Participated in the Federal Reserve Banks Community Forum's; which are held on a quarterly basis.

IMPEDIMENTS TO FAIR HOUSING

The residents of the City of Detroit have suffered and continue to suffer the imposition of an economic hardship due to discriminatory and excessive automotive and home insurance premiums caused by insurance "redlining". Detroit residents receive unfair discrimination in relation to rates paid outside Detroit for the same coverage in spite of individuals having the same losses, expenses, and uncertainty of loss or risks that is applied for calculating a rate. The rates are not reasonably justified because they cannot be supported by a reasonable classification system, which results from sound actuarial principles based on actual and creditable loss and expense statistics. Rates are not broadly averaged among persons insured on a group level in Southeastern Michigan as insurers have created multiple rating territories in Detroit. The rates are excessive and unfairly discriminatory as the Michigan Insurance Industry is using credit scoring as a factor in setting rates which have not been shown to not be an accurate predictor of loss or financial risk, but has been shown to result in higher rates for "poor urban homeowners and drivers regardless of their loss experience and driving record."

The result of the unfair, discriminatory, and excessive automotive insurance rates the citizens of Detroit have imposed unfair social and economic hardships as follows:

- Limiting the ability of city residents to own and operate automobiles hampering their employment opportunities;
- Increasing the numbers of uninsured drivers due to unaffordable insurance on our streets resulting increased uncompensated medical and property damage costs;
- Unnecessarily drains financial resources from our citizens that could have been used for home ownership, health care, and business development and community improvement;
- Creating economic disincentives that make it difficult to invest in and operate businesses in Detroit.

The 1968 National Advisory Panel on insurance in Riot Affected Areas made the following critical observation: "Insurance is essential to revitalize our cities. It is a cornerstone of credit. Without insurance, banks and other financial institutions will not