

FACT SHEET: AFFIRMATIVE FAIR HOUSING MARKETING PLAN



Fair Housing Center
of West Michigan

What is fair housing?

Fair housing is the right to choose housing free from unlawful discrimination. The federal Fair Housing Act and Michigan laws protect people from discrimination in housing based on race, color, religion, sex, national origin, familial status, disability, marital status, and age. Discrimination is illegal in housing transactions such as rentals, sales, lending, and insurance.

What is an Affirmative Fair Housing Marketing (AFHM) Plan?

Many federal or state funded, insured or assisted housing programs in Michigan have an obligation to create and implement an Affirmatively Fair Housing Marketing (AFHM) Plan. The AFHM Plan is a marketing strategy designed to attract buyers and renters of all majority and minority groups, regardless of sex, handicap, familial status, etc. to assisted and insured rental projects and sales dwellings which are being marketed. The Plan describes initial advertising, outreach (community contacts) and other marketing activities which inform potential buyers and renters of the existence of the units. No applications for applicable HUD-assisted programs may be funded without an approved AFHM Plan.

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Who should create an Affirmative Fair Housing Marketing Plan? – Federal Housing Programs

All applicants for subsidized and unsubsidized multifamily projects, mobile home parks and single-family subdivisions of five or more units, spaces or lots which are funded or insured under certain HUD programs are subject to program requirements which carry an obligation to create an AFHM Plan. Applicants may include Public Housing Authorities, non-profit developers or housing providers, and other HUD program participants.

Examples of HUD programs which require an AFHM Plan include:

- Section 221 (d)(2) Homeownership Assistance and 221(d)(3) Below-Market Interest Rate
- Sections 235 and 236
- Sections 232, 234(c) and 213 - Condominium and Cooperative Housing
- Section 232 - Nursing Homes and Intermediate Care Facilities
- Section 207 - Mobile Home Courts
- Sections 207, 220, 221(d)(3) and (4) – Multifamily Rental Housing
- Rental Assistance Payment (RAP) and Rent Supplement
- Section 8 Project-Based Assistance
 - Section 202 Projects with Section 8 Assistance
 - Rural Housing Section 515 Projects with Section 8 Assistance
 - Loan Management Set Aside (LMSA)
 - Property Disposition Set-Aside (PDSA)
- Section 202 with 162 Assistance – Project Assistance Grants (Section 202 PACs)
- Section 202 with Project Rental Assistance Contracts (Section 202 PRACs)
- Section 202 without Assistance (Income Limits Only)
- Section 203(b) and (1) - One-to-Four-Family Mortgage Insurance for Homeowners
- Section 811 with Project Rental Assistance Contracts (Section 811 PRACs)

State Housing Programs - The Michigan State Housing Development Authority (MSHDA) requires that all MSHDA financed developments maintain a current approved AFHM plan on-site.

Creating an Affirmative Fair Housing Market Plan

Both the U.S. Department of Housing and Urban Development (HUD) and the Michigan State Housing Development Authority (MSHDA) have AFHM forms which must be completed when either initially applying for funding or when the AFHM Plan is updated (HUD Form HUD-935.2A and MSHDA AM Form).

In formulating the Affirmative Marketing Program, the applicant must do the following:

- A. *Targeting*. Identify the segments of the eligible population which are least likely to apply for housing without special outreach efforts.
 - a. Consider the current racial and ethnic composition of the residential area.
 - b. Also consider language barriers and income eligibility requirements.
- B. *Outreach*. Outline an outreach program which includes special measures designed to attract those groups identified as least likely to apply and other efforts designed to attract persons from the total eligible population.
 - a. *Community Contacts*. The housing provider must list at least one community organization that serves each group determined to be least likely to apply and who has agreed to help the provider in their marketing efforts. In the plan include the name of the contact person, contact information, experience working with the target population as well as the number and language of materials to be provided to such agencies.
 - b. *Media*. The housing provider should specify the particular means of advertising to reach a target group and the reasoning behind the particular type of advertising. Advertisements should include the fair housing logo.
 - c. If the immediate housing market area is not demographically diverse enough to draw applicants considered “least likely to apply” then an expanded housing market area should be used.
- C. *Indicators*. State the indicators to be used to measure the success of the marketing program.
 - a. Recording information on how an individual heard about the housing and why they decided to apply will provide useful data for the evaluation process.
 - b. In addition, comparing the number of units now occupied by persons previously determined to be “least likely to apply” and the number of people least likely to apply on the waiting list prior to and after the marketing process is a good starting place for the evaluation.
- D. *Staff Training*. Demonstrate the capacity to provide training and information on fair housing laws and objectives to sales or rental staff.

How long does the AFHM Plan last and how often does it need to be updated?

The AFHM Plan remains in force throughout the life of a multifamily project mortgage and/or the period for which the HUD or MSHDA subsidy is provided. For single-family dwellings located in subdivisions of five or more units, the Plan remains in effect until all the dwelling units are sold. AFHM Plans must be reviewed at least every five years or when the local Community Development jurisdiction’s Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area.

Where can I find more information?

If you have additional questions about fair housing law or creating an AFHM plan, please contact the Fair Housing Center office, or view HUD’s website at www.hud.gov for AFHM forms and guidelines.

Common AFHM Plan Mistakes

- Incomplete information, i.e.: number of units, price of units, marketing area not provided
- Insufficient research, i.e. all ethnic groups are considered “least likely to apply”
- Failure to advertise in places used by people who have been deemed “least likely to apply”
- Lack of follow-up with community contacts to ensure the housing opportunities have been advertised
- No standards to ensure the marketing plan was effective
- Lack of current staff training on fair housing laws