

# **CITY OF EVERETT, WASHINGTON**

## **2005-2010<sup>1</sup> ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE**



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## **I. Executive Summary**

The “Analysis of Impediments to Fair Housing Choice” (AI) is required by the U.S. Department of Housing and Urban Development (HUD)<sup>2</sup> of all state and local governments that receive housing and community development funds from the following programs:

- Community Development Block Grant (CDBG)
- Emergency Shelter Grant (ESG)
- HOME Investment Partnership (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

The City of Everett currently receives an annual allocation of CDBG funds of approximately \$950,000.00 and HOME Investment Partnership funds of \$450,000.00.<sup>3</sup>

In addition to the identification of impediments, jurisdictions are required to develop methods to address the issues that limit the ability of residents to rent or own housing, regardless of their inclusion in a protected class.

HUD requires that the AI include:

- An analysis of demographic, income, housing and employment data
- An evaluation of the fair housing complaints filed in the jurisdiction
- A discussion of impediments, if any, in 1) the sale or rental of housing, 2) provision of brokerage services, 3) financing, 4) public policies, and 5) administrative policies for housing and community development activities that affect housing choice for minorities
- An assessment of current fair housing resources
- Conclusions and recommendations

Everett, Washington’s AI was conducted and prepared by the Fair Housing Center of Washington.

Data Sources used to prepare the AI include:

- Census and other demographic data
- Everett’s Consolidated Plan for 2010-2025
- Washington State Office of Financial Management
- Fair housing complaint data maintained by HUD for the years 2005-2010
- Fair housing complaint data maintained by the Washington State Human Rights Commission for 2005-2010
- Fair housing complaint data maintained by Fair Housing Center of Washington for 2005-2010

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<sup>2</sup> Appendix A

<sup>3</sup> These are estimates based on past funding amounts and are dependent on budget allocations. City of Everett, April, 2011

- Everett Housing Authority reports
- Internet resources on fair housing
- Home Mortgage Disclosure Act Data, Internet Sources
- Federal Financial Institutions Examination Council (FFIEC), Internet Sources
- U.S. Department of Treasury, Office of the Comptroller of the Currency, Administrator of National Banks (OCC)
- Rental Testing Data, Fair Housing Center of Washington
- Newspaper Listings, internet sources
- Interviews with agency service providers
- Rental and Real Estate association web sites
- City of Everett web site
- City of Everett Planning Direct Interpretation #08-02- Reasonable Accommodation under the Fair Housing Act
- 2010 Fair Housing Trends Report, National Fair Housing Alliance

The AI identifies numerous actions taken in the City of Everett that affirmatively further fair housing in the sale and rental of housing within the jurisdiction. The City is committed to eradication of discriminatory practices.

The AI identifies the following impediments to fair housing choice in Everett:

***Impediment I:***      **Housing discrimination primarily affects persons of color, immigrants, the disabled, and families with children**

***Impediment II:***      **Seattle-Bellevue-Everett Metropolitan Division (MD) lending institutions deny more loans to Hispanics and African Americans**

***Impediment III:***      **There is a lack of fair housing knowledge among Everett officials, residents, and housing providers**

Based upon data collected and compiled for this AI, the following fair housing activities are recommended to reinforce current fair housing efforts:

***Recommendation I:***      **Develop a Fair Housing Action Plan**

***Recommendation II:***      **Strengthen Education and Outreach Efforts**

***Recommendation III:***      **Consider Implementing Enforcement Activities**

***Recommendation IV:***      **Target homeownership and lending marketing to African American and Hispanic households**

***Recommendation V:***      **Continue to Support the Development of Affordable Housing**

## **II. The Law**

### **Federal Fair Housing Law**

The Civil Rights Act of 1866 states, “All citizens of the United States shall have the same right in every State and Territory, as is enjoyed by white citizens thereof, to inherit, purchase, lease, sell, hold and convey real and personal property.”

Between 1866 and 1968 the law was interpreted only to prohibit racial discrimination in housing by government or public action, such as restrictive zoning and the enforcement of restrictive covenants. In 1968, the Supreme Court ruled that the Act prohibited “all racial discrimination, private as well as public, in the sale or rental of property.”<sup>4</sup>

Also in 1968, specific fair housing legislation was enacted in Title VIII of the Civil Rights Act of 1968. With the Supreme Court decisions and passage of Title VIII, the private housing market in the United States was subject to federal laws prohibiting discrimination for the first time.

Title VIII prohibits discrimination in the provision of housing based on race, color, religion, sex, or national origin. These population groups are known as ‘protected classes’. Title VIII authorizes HUD to investigate and attempt to resolve complaints. Rather than an individual incident, where a pattern or practice of discrimination is identified, the U.S. Department of Justice (DOJ) is authorized to file suit in federal court.

The Fair Housing Amendments Act of 1988 amended Title VIII to include people with disabilities and families with children as protected classes. Title VIII, as amended, is now known as the Fair Housing Act. The new law also requires that people with disabilities be allowed to make ‘reasonable modifications’ to housing at their own expense; that “reasonable accommodations” be made in rules, policies, practices and services to allow people with disabilities access to and use of a dwelling, and; that housing intended for occupancy on or after March 13, 1991 be constructed so that it can be made accessible.

Recently legislation has been introduced to update the federal Fair Housing Act by extending civil-rights protections to people based upon their sexual orientation, gender identity or source of income. The Fair Housing Act does not currently extend protections to lesbian, gay, bisexual and transgender people. The Housing Opportunities Made Equal (HOME) Act, H.R.6500<sup>5</sup>, would prohibit discrimination in the sale or rental of housing, the financing of housing, and in brokerage services on the basis of sexual orientation, gender identity, source of income, and marital status. The HOME Act would also amend the Fair Housing Act to prohibit intimidation in the housing context on the basis of sexual orientation, gender identity, source of income, and marital status.

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<sup>4</sup> United States Commission on Civil Rights, The Fair Housing Amendments Act of 1988: The Enforcement Report, (Washington, D.C., 1994), 9

<sup>5</sup> <http://thomas.loc.gov/cgi-bin/query/z?c111:h6500>:

Currently under the Fair Housing Act, the following actions are illegal if based on an individual's race, color, religion, national origin, sex, familial status, or disability<sup>6</sup>:

- Refusing to rent or sell a dwelling after a bona fide offer has been made
- Refusing to negotiate for the sale or rental of a dwelling
- Setting different terms, conditions, or privileges related to the sale or rental of a dwelling or to the use of facilities and services provided in conjunction with a dwelling
- Saying a dwelling is unavailable for rent or sale when it is available
- Making a profit by convincing owners to sell or rent properties based on fear of declining property values because members of a protected class are moving into a neighborhood (an action known as 'blockbusting')
- Advertising the availability of a dwelling in a way that implies a preference for a certain type of buyer or renter, or places a limitation on the use of a dwelling for certain groups
- Denying access to or membership in any multiple listing service, real estate brokers association or other organization in the business of selling or renting housing, or setting different terms or conditions for membership in such organizations
- Refusing to make a mortgage loan
- Refusing to give information about loans
- Setting different terms or conditions for loans
- Discriminating in the appraisal of property
- Refusing to purchase a loan or setting different terms for the purchase of a loan
- Interfering in any way with a person's exercise of their fair housing rights

The Fair Housing Act exempts from coverage three types of housing:

- Religious organizations or private clubs which own or operate housing (for other than commercial purposes) may give preference to members of the organization in the sale, rental, or occupancy of that housing.
- Dwellings whose owner does not own more than three single-family homes and does not use the services of a realtor or broker in renting or selling the home. This does not exclude the owner from compliance with the laws pertaining to discriminatory advertising or retaliation.<sup>7</sup>
- Housing for people aged 62 and older and housing for people aged 55 and older is exempt from the prohibition against discrimination based on familial status. This housing is still subject to the prohibitions against discrimination based on membership in other protected classes and in regard to advertising and must meet specific criteria to be so designated.

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<sup>6</sup> Federal Register, 24 CFR Part 14 et al., *Implementation of the Fair Housing Amendments Act, 1988: Final Rule*, (Washington, D.C.: United States Government Printing Office, 1989), 3284.

<sup>7</sup> Once a landlord advertises their rental property they are not exempt from Fair Housing Act requirements.

Under the Fair Housing Act, complaints may be conciliated prior to a determination of whether reasonable cause exists to believe that a respondent has violated the Act. Through conciliation, each party may achieve its objectives in a relatively simple and expeditious manner, and HUD advances the public interest in preventing current and future discriminatory housing practices. The period during which conciliation must be attempted commences with the filing of the complaint, and concludes with the issuance of a charge on behalf of the complainant, or upon dismissal of the complaint. The Fair Housing Act establishes a process for a HUD Administrative Law Judge to review complaints in cases that cannot be resolved by an agreement between the parties and sets financial penalties where a charge of discrimination is substantiated.

Cases may be administratively closed when the complainant is not locatable, refuses to cooperate or withdraws their complaint with or without resolution.

## **State and Local Equivalent Protections**

States and local governments may adopt fair housing laws. Where those laws are substantially equivalent to the federal law, and where an enforcement agency has been established, HUD can certify the state or local government as a substantially equivalent agency. Absent HUD certification, funding for enforcement of local laws is limited to local sources.

To receive HUD certification, the local agency must demonstrate capacity to enforce fair housing laws that provide the same protections, rights, remedies, and judicial enforcement procedures as the federal law. After certification, the local agency receives HUD referrals of fair housing complaints within its jurisdiction for investigation and processing.

There are four jurisdictions in the State of Washington certified as substantially equivalent known as Fair Housing Assistant Program (FHAP agencies). The laws of all four jurisdictions include prohibitions against discrimination in addition to those in federal law, such as marital status, sexual orientation, or income source:

- State of Washington, Washington State Human Rights Commission (WSHRC)
- King County, King County Office of Civil Rights (KCOCR)
- Seattle, Seattle Office for Civil Rights (SOCR)
- Tacoma, Tacoma Human Rights and Human Services Department (THRHS)

The Washington Legislature has enacted a number of amendments to the Washington Law Against Discrimination, as well as other statutes as follows:

**Sexual Orientation and Gender Identity-** Engrossed Substitute House Bill (ESHB) 2661 was passed in January, 2006 and effective June 7, 2006 and amended the Washington Law Against Discrimination to include sexual orientation as a class to be protected from discrimination in employment, commerce, real estate transactions, places of public resort, accommodation, or

amusement, and insurance and credit transactions. Sexual orientation is defined as heterosexuality, homosexuality, bisexuality, and gender expression or identity.

**Veteran and Military Status Protections-** Senate Bill (SB) 5123 was passed in April, 2007 and effective July 22, 2007 and amended the Washington Law Against Discrimination to protect persons with veteran or military status from discrimination in employment, commerce, real estate transactions, places of public resort, accommodation, or amusement, and insurance and credit transactions. "Veteran or military status" includes any honorably discharged veteran as defined in RCW 41.04.007, and any active or reserve member in any branch of the armed forces of the United States including the National Guard and Coast Guard.

**Protections for Victims of Domestic Violence-** Washington's Residential Landlord-Tenant Act has been amended to expand legal protections for domestic violence victims. House Bill 2EEHB 1645, effective March 15, 2004, amended landlord-tenant law and indirectly expanded fair housing protections for victims of domestic violence. Under certain circumstances, victims of domestic violence can be discharged from rental agreements and obligations to facilitate their relocation and protection. In the last ten years, the failure of housing providers to work with victims of domestic violence had become a fair housing issue and had led to increases in sex discrimination complaints under the fair housing laws. This amendment to state law effectively reinforces the protections afforded domestic violence victims afforded by existing fair housing laws.

**Clarification of Disability Protections-** Substitute Senate Bill (SSB) 5340, passed in April of 2007 and effective July 22, 2007, amended the Washington Law Against Discrimination to address the Washington State Supreme Court holding in *McClarty v. Totem Electric* adopting the definition of disability enumerated by the Americans with Disabilities Act of 1990. According to SSB 5340, the legislature finds that the Supreme Court, in its opinion in *McClarty v. Totem Electric*, 157 Wn.2d 214, 137 p.3d 844 (2006), failed to recognize that the Law against Discrimination affords to state residents protections that are wholly independent of those afforded by the federal Americans with Disabilities Act of 1990, and that the law against discrimination has provided such protections for many years prior to passage of the federal act. For the purposes of the Washington Law against Discrimination, disability is defined, in part, as the presence of a sensory, mental, or physical impairment that: (i) is medically cognizable or diagnosable; or (ii) exists as a record or history; or (iii) is perceived to exist whether or not it exists in fact. Additionally, a disability exists whether it is temporary or permanent, common or uncommon, mitigated or unmitigated, or whether or not it limits the ability to work generally or work at a particular job or whether or not it limits any other activity within the scope of this chapter.

## **Snohomish County**

In 2008, Snohomish County Citizens for Human Rights requested that the County Council create a local independent human rights commission, to protect minority rights in the area of housing and employment, along with other areas. In addition, the county was asked to give such a commission the power to settle disputes, as well as investigate complaints within the county. A proposed county ordinance was drafted, and the Washington State Human Rights Commission was used as the model. The proposal included that policy and oversight functions would be decided by five Commissioners, to be appointed by the Governor and confirmed by the Senate. In addition two Commissioners will be appointed by the County Executive and the County Sherriff, who would have an alternative dispute resolution component, as well as adhere to certain jurisdictional criteria. The Snohomish County Human Rights Ordinance would prohibit discrimination in employment, housing, credit transactions, public accommodations, County services, and County contracting. Protected classes would include race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, martial status, parental status, military status, military discharge status, source of income, gender identity, and housing status. In the summer of 2010, the Snohomish County Counsel created an Office of Human Rights as an advisory committee to the County executive, and the following code was enacted:

**Code of Ordinance, Title 2, 2.460.020 - Commission on human rights created<sup>8</sup>.**

There is hereby created the Snohomish County Commission on human rights consisting of seven members appointed by the county executive and confirmed by the county council pursuant to the county charter and this chapter. The commission shall have the powers and duties set out in this chapter, except that implementation of this chapter shall be phased as provided in SCC 2.460.290. Members of the commission shall serve without compensation but may be reimbursed for mileage and other reasonable expenses approved by the county executive or office of human rights as provided in SCC 2.03.070.

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<sup>8</sup> <http://sccchr.org/fulltext.html>

## HUD Certified Substantially Equivalent Jurisdiction Protected Classes

Basis	Federal	State	King County	Seattle	Tacoma
Age			X	X	X
Ancestry				X	X
Color	X	X	X	X	X
Creed		X		X	
Familial status/Parental Status	X	X	X <sup>9</sup>	X <sup>i</sup>	X
Gender Identity		X	X	X	X
Handicap/Disability	X	X	X	X	X
Marital status		X	X	X	X
National origin	X	X	X	X	X
Political ideology				X	
Race	X	X	X	X	X
Religion	X	X	X	X	X
Retaliation	X	X	X	X	X
Sex	X	X	X	X	X
Sexual orientation		X	X	X	X
Section 8 recipient			X	X	
Use of a Guide Dog/Service Animal	X	X	X	X	X
Veteran or Military Status		X		X	

## Local Ordinances

Many cities and counties pass ordinances to further and supplement federal fair housing laws such as age, sexual orientation and Section 8 status. Though there are 21 known fair housing ordinances for cities and counties in Washington State outside the FHAP agencies, actual enforcement provisions vary<sup>10</sup>.

<sup>9</sup> King County and the City of Seattle use the term parental status instead of the federal terminology of familial status.

<sup>10</sup> Full chart of local fair housing ordinances, their protected classes and enforcement provisions is included in the Appendices.

**Protected Classes by Non-Certified Jurisdiction**

<b>Basis</b>	<b>Everett</b>	<b>Bremerton</b>	<b>Thurston County</b>	<b>Olympia</b>	<b>Spokane</b>	<b>Burien</b>
Race	X	X	X	X	X	X
Color	X	X	X	X	X	X
Creed			X		X	
Religion	X	X		X		X
Sex		X	X	X	X	X
Handicap/Disability			X	X	X	X
Familial/Parental Status			X	X	X	X
National origin	X	X	X	X	X	X
Marital status			X	X	X	X
Age			X			X
Sexual orientation			X	X	X	
Gender Identity				X		
Section 8 recipient						
Ancestry		X				
Political ideology						
Retaliation						
Source of Income						

**Everett Municipal Code**

Title 9, Section 9.22 of Everett’s Municipal Code contains some fair housing protections, including the following protected classes: race, color, religion, ancestry or national origin. While violations of Everett’s municipal code may result in fines of up to \$500, 6-months imprisonment, or both, complaints are addressed through the Washington State Human Rights Commission.

### **III. Demographics**

#### **Everett’s Demographic Context<sup>11</sup>**

Because the federal Fair Housing Act includes race, color, national origin, gender, disability, religion and familial status as protected classes, this analysis considers demographic trends that may implicate the achievement of fair housing.

#### **Everett’s Population**

Between 2005 and 2010, the City’s population changed from 97,500 to 103,019 an increase of 5,519 people (5.6 percent). This was less than the rate of growth of Snohomish County (8.77%). However, many of the other cities in the County grew at significantly higher rates as illustrated in Table 1. Several of the fastest-growing cities added both population and land through annexations (i.e., Bothell, Marysville, Monroe, Mukilteo). The city is ranked 7<sup>th</sup> in size in the State of Washington based upon 2010 state census estimates and is the largest city in Snohomish County.

#### ***Population Share***

	2005 Population <sup>12</sup>	2010 Census Population	2005-2010 Growth
Everett	97,500	103,019	5.6%
Snohomish County	655,800	713,335	8.77%

#### **Everett Household Profile**

The 2009 American Community Survey counted 39,724 Everett households, a 9.6 percent increase over 2000 (36,255 households). The average household size was 2.36 persons (2.49 for owner-occupied units and 2.24 for renter-occupied housing). The proportion of households headed by women with children under the age of 18 increased by 17% from 3,130 households to 3,673 households between 2005 and 2009.

#### ***Everett - Household Type by Household Size – 2005-2009 American Community Survey<sup>13</sup>***

HOUSEHOLDS BY TYPE	Total Households by Household Type	% of Households
Total households	39,724	100%
Family households (families)	22,299	56.10%
With own children under 18 years	11,876	29.90%
Married-couple family	15,176	38.20%
With own children under 18 years	6,912	17.40%
Female householder, no husband	5,102	12.80%

<sup>11</sup> Information gathered from 2010-2014 Everett Consolidated Plan, City of Everett, U.S. Census Bureau 2000 and 2010 STF 1 and STF 2 data and the State of Washington Office of Financial Management.

<sup>12</sup> Washington State Office of Financial Management

<sup>13</sup> The 2005 – 2009 American Community Survey data is accurate to +/- 8% depending on sample size.

present		
With own children under 18 years	3,673	9.20%
Nonfamily households	17,425	43.90%
Householder living alone	13,736	34.60%
Householder 65 years and over	3,646	9.20%
Households with individuals under 18 years	12,693	32.00%
Households with individuals 65 years and over	7,040	17.70%

## Race and Ethnicity

Though comparisons of U.S. Census data from 2000 and 2010 are made difficult by the use of different race categories, Everett continues to become more diverse. While the overall proportion of the population represented by American Indians and Black or African American increased, all groups continued to grow in size. Everett's Whites population increased by 10.22%, the number of Hispanic or Latino residents in Everett grew 82.73% and the Asian or Pacific Islander population grew by 55.53%. Black or African-Americans comprise 4.4% of Everett's population and Hispanic or Latinos comprise 12.2% of Everett's population. The figures for African-Americans and Hispanic or Latino residents in Everett are higher than the State of Washington's Black or African-American (3.4%) and Hispanic/Latino (9.6%) populations.

### ***Everett - Race and Ethnicity – 2000 and 2009 American Community Survey***

	Total Persons 2000	Total Persons 2009	% of 2000 Population	% of 2009 Population
Total Population	91,488	98,212		
White	74,152	77,151	81.1%	78.6%
Black or African American	3,061	3,079	3.3%	3.1%
American Indian and Alaska Native	1,423	794	1.6%	0.8%
Asian	5,773	7,472	6.7%	7.6%
Native Hawaiian and Other Pacific Islander	330	598	0.36%	0.6%
Some other race	2,865	4,058	3.1%	4.1%
Two or more races	3,884	5,060	4.2%	5.2%
Hispanic or Latino (of any race) <sup>14</sup>	6,539	11,949	7.1%	12.2%

Language barriers can have a major impact on housing opportunities. Because of the increase in immigrants in Everett the percentage of people who do not speak English has proportionally increased as well. Over 22% of Everett residents spoke another language other than English during 2005-2009, of which Spanish and Asian and Pacific Island languages were of the highest percentage (9.1% and 6.5 % respectively) followed by Other Indo-European languages (5.6% respectively). Approximately 11.3% of these individuals spoke English "less than well".

<sup>14</sup> Because persons of Hispanic origin may comprise one or more races, the total population is based on the sum of all race categories, not the sum of all races and Hispanic origin.

The number of Everett School District students enrolled in English-Language-Learner (ELL) classes increased by 8.11% in the last year and the number of languages spoken by English as a second language children has increased from 39 to 55. The six most common languages in the Everett School District are Spanish (789), Russian (192), Ukrainian (136), Vietnamese (132), Arabic (110), and Marshallese (71).<sup>15</sup> Of note is that Nepalese/Marshallese students are on the rise, while both Russian and Ukrainian has decreased, and many new students are coming from different countries in Africa and speak various dialects.

## Income Data<sup>16</sup>

In 2010, U.S. Department of Housing and Urban Development (HUD) median income was \$57,324 in the Seattle/King County Metropolitan Statistical Area. Median household income for the City of Everett is \$47,091. Median household income for the Snohomish County is \$64,780. Per capita income in Everett is \$24,420; \$4,900 less than the state per capita and \$6,063 less than Snohomish County.

### Income<sup>17</sup>

Everett	2005-2009 Income – In Dollars
Median Household Income	\$47,091
Median Family Income	\$57,341
Per Capita Income	\$24,420
Median earnings of full time, year round workers – Male	\$42,250
Median earnings of full time, year round workers – Female	\$35,514

### Poverty Status 2005-2009 by Percentage<sup>18</sup>

Population Group	Washington	Snohomish County	Everett
Individuals-All Ages	11.8%	8.2%	15.2%
Families	7.9%	5.6%	11.4%
Families with children under 18	12.5%	8.6%	16.9%
Females alone with children under 18	33.7%	24.4%	35.5%
Individuals 65+	8.2%	7.7%	12.5%

<sup>15</sup> Cynthia Jones, Director, The English Language Learner Program, 2005 & 2010 Report, Everett School District

<sup>16</sup> The City of Everett Consolidated Plan 2010-2014 contains extensive analysis of employment trends incorporated herein by reference.

<sup>17</sup> 2005-2009 American Community Survey 5-year Estimates S1901. Income in the Past 12 Months (In 2009 Inflation-Adjusted Dollars)

<sup>18</sup> 2005-2009 American Community Survey 5-year Estimates S1701, S1702, S1703. Poverty Status in the Past 12 Months

## Housing Characteristics

### Homeownership by Race

Everett residents make up 46.6% of owner-occupied housing while the proportion of residents who rent is 53.4%<sup>19</sup>. Everett's homeownership rate of 46.6% is still two-thirds of Snohomish County's homeownership rate of 68.1% and nearly a third less than that of Washington State's overall homeownership rate of 65.3%.

While Everett's population continues to become more diverse, homeownership among people of color remains disproportionately low. The below chart reflects Everett's 2000 Profile Tenure by Race and National Origin. The 2010 Census information will be used to complete the Housing Profiles, which are compiled by the Washington Office of Financial Management. That information will not be out until the Summary File 1 is released sometime between June and September, 2011. Housing tenure information (but not by race and ethnicity) at the city level will first appear in the Census Demographic Profile data. Washington's Demographic Profile data has not been released yet but some states have data already.<sup>20</sup> In the previous 2000 Census, 48.49% of White households owned their own homes while only 30.9% of minority households were homeowners. Asian residents had the highest rate of homeownership among minority household homeowners at 41.3%. African American and American Indian/Native Alaskans had comparable rates of homeownership at 26.71% and 26.44% respectively. Native Hawaiian/Pacific Islanders had the lowest rate of homeownership at 16.49%, followed by those who designated other race (19.39%), Hispanic or Latino (21.85%) and two or more races (26.25%). Other than Native Hawaiian/Pacific Islanders and residents in the "other race" and "two or more races" categories, Hispanic or Latinos had the lowest proportion of homeownership as of the 2000 Census.

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<sup>19</sup> 2005-2009 American Community Survey 5-year Estimates, Selected Housing Characteristics: 2005-2009

<sup>20</sup> 5/5/2011 Email correspondence from Thomas Kimpel, Ph.D. Forecast Analyst, Office of Financial Management

**2000 Tenure by Race and National Origin of Householder in Everett<sup>21</sup>**

Households by Tenure, Race and National Origin	Number	Percent
<b>Total Households</b>	<b>36,325</b>	<b>100%</b>
Owner occupied:	16,701	45.98%
Renter occupied:	19,624	54.02%
<b>Total White</b>	<b>31,331</b>	<b>86.25%</b>
Owner occupied:	15,192	48.49%
Renter occupied:	16,139	51.51%
<b>Total Black or African-American</b>	<b>1,021</b>	<b>2.81%</b>
Owner occupied:	270	26.44%
Renter occupied:	751	73.56%
<b>Total American Indian/Alaska Native</b>	<b>483</b>	<b>1.33%</b>
Owner occupied:	129	26.71%
Renter occupied:	354	73.29%
<b>Total Asian Households</b>	<b>1,678</b>	<b>4.62%</b>
Owner occupied:	693	41.30%
Renter occupied:	985	58.70%
<b>Total Native Hawaiian/Pacific Islander</b>	<b>97</b>	<b>0.27%</b>
Owner occupied:	16	16.49%
Renter occupied:	81	83.51%
<b>Total Hispanic or Latino</b>	<b>1,721</b>	<b>4.74%</b>
Owner occupied:	376	21.85%
Renter occupied:	1,345	78.15%
<b>Total other race alone</b>	<b>717</b>	<b>1.97%</b>
Owner occupied:	139	19.39%
Renter occupied:	578	80.61%
<b>Total Two or more races</b>	<b>998</b>	<b>2.75%</b>
Owner occupied:	262	26.25%
Renter occupied:	736	73.75%

**Household Profile by Race and Income**

Between June of 2005 and June of 2010, Snohomish County homes decreased in value by an average of 14%. The median value of an owner-occupied unit in Everett in December of 2010 was \$202,000 which is approximately 20% lower than the average for Snohomish County, which had a median home price of \$247,200 in 2010.<sup>22</sup>

The median rent amount in Everett is \$851 which is 23.9% higher than in 2000 (\$687). Rental prices are only slightly lower than the average for Snohomish County and have increased by 25% between 2000 (\$766) and 2009 (\$960).

<sup>21</sup> U.S. Census, Tenure by Race of Householder, Occupied housing units, Census 2010, Data Set: 2005-2009 American Community Survey 5-Year Estimates.

<sup>22</sup> HeraldNet, <http://www.heraldnet.com/article/20090205/NEWS01/702059872> downloaded December, 2010.

## Subsidized Housing in Everett

### *Everett Housing Authority (EHA)*

#### Background

EHA owns or administers nearly 70% of the assisted housing inventory located in the City of Everett, or 3,521 of 5,105 affordable housing units. As of February of 2010, EHA owned 1,047 subsidized housing units (an increase of 48 units compared to September of 2004) and administered 2,474 tenant-based housing choice vouchers (an increase of 222 vouchers from September of 2004).

Project	# Units	Source of Funding	Household Type(s)
Baker Heights	246	Low-Rent Public Housing	Elderly/Disabled/Family
Bakerview Apartments	151	Low-Rent Public Housing	Elderly/Disabled
Bridge Creek	22	Bond, WA State Housing Trust Fund, Snohomish Co.	Disabled/Family
Broadway Plaza East	101	Section 8 New Construction	Elderly/Disabled
Broadway Plaza West	89	Senior Housing Bonds	Elderly
Douglas Grove	10	Section 8 New Construction	Elderly/Disabled/Family
Grandview	148	Low-Rent Public Housing	Family
Oakes	12	CDBG, HOME, Bond, EHA	Elderly/Disabled/Family
Pineview	34	Low-Rent Public Housing	Family
Rainier Park	14	Bond, EHA	Elderly/Disabled/Family
Rucker	15	HOME, Bond, EHA	Elderly/Disabled
Scattered Sites	44	Low-Rent Public Housing	Family
Timberhill	30	Bond, Foundation	Elderly/Disabled/Family
Twelve Pines	80	HOME, Tax Credit, Bond	Elderly/Disabled/Family
Lakeview Terrace	21	Bond, CDBG	Family
Pacific Square	8	Bond, HOME, HB2060	Family
Madison Village	22	Bond, HOME	Family
Total	1047		

#### Demand for Affordable Housing

According to EHA's Public Housing Agency Plan for the fiscal year beginning July 1, 2010, renter households in Everett have a significant housing affordability problem.

- In 2000, 25.5% of all renters in Everett were "cost burdened" (paying more than 30% of their income for housing costs).
- In 2000, over half (56.2%) of all renters under 50% of area median family income (MFI), were cost burdened. Over 4,600 households fell in this category.
- The current City of Everett Consolidated Plan states that the rental "market data suggests the search for affordable housing is most challenging for households with incomes of less than 30% of median income." A total of 74.5% of all

households with incomes under 30% of MFI were cost burdened; and 79% of the large families (5 or more persons) in this income group were cost burdened.

- HUD data from 2009 indicates that 42% of all renters in the County were unable to afford a 2 bedroom apartment. The Median Renter Household Income in the County would need to spend 86% of the \$45,943 they make to pay for a 2 bedroom at Fair Market Rents (FMRs). Those families below 30% of the area median income are particularly burdened as their Maximum Affordable Monthly Housing Cost is \$632 but FMRs for a 2 bedroom apartment were at \$987 in 2009, an affordability gap of \$355.
- Everett’s Consolidated Plan notes that for disabled populations “there is a need for accessible housing that is affordable to people with extremely low incomes”. Disabled persons receiving SSI payments must use essentially all (92%) of their monthly benefits just to pay for the FMRs for a studio apartment (\$674/month).
- There are also significant needs among specific high-risk, high-need populations, including families at risk of homelessness and homeless persons. In January 2009, 2,356 persons were found homeless in the county, the second largest homeless population in the State. Of these, 364 had alcohol and/or drug problems, 271 were victims of domestic violence and 221 were chronically homeless disabled individuals.

### **EHA Public Housing Waitlist<sup>23</sup>**

There are currently 862 households on EHA’s Public Housing Wait List.

#### **Housing Needs of Households on the EHA Public Housing Waiting List**

<b>Need Characteristic</b>	<b>Number of Households</b>	<b>Percent</b>
Wait List Total	862	100%
Extremely Low Income <30% AMI	761	88%
Very Low Income 30% - 50% AMI	84	10%
Low Income 50% - 80% AMI	17	2%
Families With Children	337	39%
Elderly Families	138	16%
Families with Disabilities	283	33%
White	651	76%
Black	74	9%
American Indian, etc.	16	2%
Asian/Pacific Islander/Other	121	14%
Ethnicity - Hispanic	68	8%
Characteristics by Bedroom Size		

<sup>23</sup> EHA, *Public Housing Agency Plan for the fiscal year beginning July 1, 2008*

Studio and 1 bedroom	474	55%
2 bedroom	238	28%
3 bedroom	115	13%
4 bedroom	25	3%
5 bedroom	8	1%
>5 bedroom	2	<1%

### **EHA Section 8 Waitlist<sup>24</sup>**

Due to federal budget cut backs, the EHA has only been able to open its Section 8 waitlist on three occasions in the last ten years, the most recent of which was in July of 2006.

There are currently 669 households on the EHA Section 8 Vouchers Wait List (including Tenant Based and Project Based Vouchers).

- Nearly 60% of those on the voucher waiting list have been waiting for more than one year.
- More than 65% (438) of households on the EHA Section 8 waitlist are single person households.
- More than 26% (175) of households on the EHA Section 8 waitlist are comprised of two to four persons.
- More than 8% (56) of households on the EHA Section 8 waitlist are comprised of five or more persons.
- 86% of those waiting for a Section 8 voucher need housing with less than two-bedrooms. About 60% of the Everett housing stock is two-bedroom or smaller units<sup>25</sup>.
- With the exception of African Americans, ethnic and racial minorities are represented at lower rates among the population on the Section 8 waiting list than within the City's general population.

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<sup>24</sup> EHA, *Public Housing Agency Plan for the fiscal year beginning July 1, 2008*

<sup>25</sup> Everett Housing Authority

**Housing Needs of Households on the EHA Section 8 Waiting List  
(including Tenant and Project Based)**

<b>Need Characteristic</b>	<b>Number of Households</b>	<b>Percent</b>
Wait List Total	669	100%
Extremely Low Income <30% AMI	581	87%
Very Low Income 30% - 50% AMI	76	11%
Low Income 50% - 80% AMI	1	<1%
Families With Children	165	25%
Elderly Families	103	15%
Families with Disabilities	377	56%
White	569	85%
Black	54	8%
American Indian, etc.	21	3%
Asian/Pacific Islander/Other	25	4%
Ethnicity - Hispanic	45	7%
Characteristics by Bedroom Size		
Studio and 1 bedroom	483	72%
2 bedroom	92	14%
3 bedroom	63	9%
4 bedroom	27	4%
5 bedroom	3	<1%
>5 bedroom	1	<1%

Additionally, in 2009 the City of Everett provided \$132,380.00, and in 2010 \$235,000, to Parkview Services to assist Everett residents seeking to purchase affordable housing. HomeSight was provided \$140,000 in 2010 for this purpose. The sources of these funds included HOME and ADDI funds<sup>26</sup>.

***Snohomish County Housing Authority (HASCO)***

**Background**

The Housing Authority of Snohomish County (HASCO) owns and operates just over 2,000 affordable housing rental units which were developed and/or assisted through various federal, state, and local housing capital and operating assistance programs. This includes the following: 253 HUD Public Housing units, 186 USDA Rural Development units, 172 HUD project-based Section 8 units, and 1,338 general affordable housing units<sup>27</sup>.

HASCO provides affordable housing opportunities for a variety of income levels in partnership with multiple federal, state, and local funding sources. The list below contains HASCO's affordable housing units which are available to individuals and families, regardless of income, at an affordable rent<sup>28</sup>:

<sup>26</sup> Ibid

<sup>27</sup> Snohomish County 2010-2014 Consolidated Plan/2010 Action Plan, page 142

<sup>28</sup> Snohomish County Housing Authority website, <http://www.hasco.org/AffordableHousing.php>

### HASCO Affordable Housing Units<sup>29</sup>

Project	# Units	Source of Funding*	Operating Subsidy	Household Type(s)
Alpine Ridge East	47	State HOME, County AHP, County HOME	--	Senior (55+)
Alpine Ridge South	46	State HOME, County AHP, County HOME	--	Senior (55+)
Aurora House	20	State Referendum 37	--	Mentally Ill
Autumn Chase	120	Bonds	--	Family
Autumn Leaf	7	State HTF, County AHP	State Operating & Maintenance, County Operating & Maintenance	Homeless Women with Children
Bristol Square	96	Bonds, LIHTC	--	Family
Center House	44	Bonds, State HTF, County AHP	--	Family
East Terrace II Duplex	2	State HTF, County AHP, HOPWA	Section 8 Project-based Certificates	Disabled (Living with HIV/AIDS)
East Terrace III	12	State HTF, County AHP, Sound Families	Section 8 Project-based Vouchers	Homeless Families with Children
Ebey Arms	54	State HTF	--	Family
Edmonds Highlands	120	Bonds	--	Family
Fairview II	7	State HTF, Sound Families	Section 8 Project-based Vouchers	Homeless Families with Children
Millwood Estates	257	Bonds	--	Family
Olympic View	45	Bonds, LIHTC, State HTF, County AHP	Section 8 HAP Contract	Elderly (62+)
Raintree Village	112	Bonds	--	Family
Sound View	43	Bonds, LIHTC, State HTF, County AHP	Section 8 HAP Contract	Elderly (62+)
Thomas Place	44	Bonds, State HTF, County AHP	--	Family
Valley Commons	51	Bonds	--	Family
Westwood Crossing	133	Bonds, LIHTC	--	Family
Whispering Pines	240	Bonds, LIHTC	--	Family
<b>Total</b>	<b>1387</b>			

\*LIHTC = Low-Income Housing Tax Credit Program, State HTF = State Housing Trust Fund, County AHP = County Affordable Housing Program, HOPWA = Housing Opportunities for Persons with AIDS

<sup>29</sup> HASCO, Information provided on February 2, 2010

## **Demand for Affordable Housing in Snohomish County**

According to the 2010-2014 Consolidated Plan<sup>30</sup>, the need for affordable housing in Snohomish County for low- and moderate-income households continues to out-pace the supply.

- The majority of all housing units owned by HASCO provide housing for families. 463 units are occupied by the Elderly/Disabled, and 1,543 are occupied by families.
- The wait time for a public housing unit is 1 to 3 years, with an average wait time of 14 months.
- 33%, or one-third of all renters in Snohomish County are cost-burdened, including combinations of moderate and severe cost-burdened.
- In the current Snohomish County Consolidated Plan affordable housing is most challenging for households with children and with incomes of less than 30% of median income.” A total of 64% of all households with incomes under 30% of MFI were cost burdened.
- HUD data from 2009 indicates that 42% of all renters in the County were unable to afford a 2 bedroom apartment. A renter with the County's Median Household Income would need to spend 86% of the \$45,943 they make to pay for a 2 bedroom at Fair Market Rents (FMRs). Those families below 30% of the area median income are particularly struggling as their Maximum Affordable Monthly Housing Cost is \$632 but FMRs for a 2 bedroom apartment were at \$987 in 2009, an affordability gap of \$355.
- Snohomish County’s Consolidated Plan notes that for disabled populations “there is a need for accessible housing that is affordable to people with extremely low incomes”. Disabled persons receiving SSI payments must use essentially all (92%) of their monthly benefit just to pay for the FMRs for a studio apartment (\$674/month).
- There are also significant needs among specific high-risk, high-need populations, including families at risk of homelessness and homeless persons: In 2010, 2,362 persons were found homeless in the county, the second largest homeless population in the State. 56% sited job/loss/unemployment as the main cause, 28% were unable to pay rent or mortgage, 23% had alcohol and/or drug problems, 21% sited a family break-up, 15% noted mental health issues as the cause, 9% were victims of domestic violence and 9% were physically disabled individuals.

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<sup>30</sup> Snohomish County 2010-2014 Consolidated Plan/2010 Action Plan, page 149

HASCO utilizes creative strategies and partnerships to develop and preserve a range of affordable housing opportunities, including manufactured and transitional housing. Of note<sup>31</sup>, Alpine Ridge East, Alpine Ridge South, and Thomas Place are all Manufactured Housing Communities, and HASCO plans to build Thomas Place out to 50 homes in the future. Aurora House is a group home managed by Compass Health under an agreement with HASCO. Autumn Leaf is a transitional group home with seven beds for homeless women and children recovering from substance abuse, and is managed by Catholic Community Services (CCS) under an agreement with HASCO. CCS is also the service provider at Autumn Leaf. CCS is the service partner with East Terrace II, while the YWCA is the service partner with East Terrace III and Fairview II. Lastly, Millwood Estate has a total of 300 units, which include the 257 units of affordable housing, along with 43 units of Public Housing.

HASCO's capital expenditures are being utilized to develop or add accessible features to its existing housing stock, which allows for persons with disabilities to use and enjoy their dwelling.

### **HASCO Public Housing Waitlists<sup>32</sup>**

HASCO has the below list of public housing units:

#### **HASCO Public Housing Units<sup>33</sup>**

<b>Project</b>	<b># Units</b>	<b>Source of Funding</b>	<b>Household Type(s)</b>
Alderwood	25	HUD Public Housing	Family
Cedar Grove	28	HUD Public Housing	Family
Centerwood	20	HUD Public Housing	Family
East Terrace I and II	26	HUD Public Housing	Family
Maplewood	15	HUD Public Housing	Family
Millwood Estates	43	HUD Public Housing	Family
North Terrace	12	HUD Public Housing	Family
Pinewood	25	HUD Public Housing	Family
Robin Park	30	HUD Public Housing	Elderly (62+)/Disabled
Stevens Circle	19	HUD Public Housing	Family
Scattered Sites*	10	HUD Public Housing	Family
<b>Total</b>	<b>253</b>		

\* Located in Everett, Lynnwood, and Marysville

<sup>31</sup> HASCO, Information provided on February 2, 2011

<sup>32</sup> HASCO Information provided on February 3, 2011

<sup>33</sup> HASCO, Information provided on February 2, 2011

## Housing Needs of Households on the HASCO Public Housing Waiting Lists

### East County

Need Characteristic	Number of Households	Percent
<b>Wait List Total</b>	<b>874</b>	<b>100%</b>
<b>By Income Level</b>		
Extremely Low Income <30% AMI	868	99%
Very Low Income 30% - 50% AMI	6	1%
Low Income 50% - 80% AMI	0	0%
<b>By Household Type</b>		
Families With Children	852	97%
Elderly Households	4	0%
Households with Disabilities	15	2%
Single Persons	3	0%
<b>By Race</b>		
White	676	77%
Black	117	13%
American Indian, etc.	24	3%
Asian/Pacific Islander/Other	57	7%
<b>By Ethnicity</b>		
Non-Hispanic	809	93%
Hispanic	65	7%
<b>By Bedroom Size</b>		
1 bedroom	N/A	
2 bedroom	628	72%
3 bedroom	246	28%
4 bedroom	N/A	

## North County

Need Characteristic	Number of Households	Percent
<b>Wait List Total</b>	<b>326</b>	<b>100%</b>
<b>By Income Level</b>		
Extremely Low Income <30% AMI	324	99%
Very Low Income 30% - 50% AMI	1	0%
Low Income 50% - 80% AMI	1	0%
<b>By Household Type</b>		
Families With Children	324	99%
Elderly Households	0	0%
Households with Disabilities	2	1%
Single Persons	0	0%
<b>By Race</b>		
White	239	73%
Black	42	13%
American Indian, etc.	19	6%
Asian/Pacific Islander/Other	26	8%
<b>By Ethnicity</b>		
Non-Hispanic	287	88%
Hispanic	39	12%
<b>By Bedroom Size</b>		
1 bedroom	N/A	
2 bedroom	N/A	
3 bedroom	231	71%
4 bedroom	95	29%

## South County

Need Characteristic	Number of Households	Percent
<b>Wait List Total</b>	<b>2791</b>	<b>100%</b>
<b>By Income Level</b>		
Extremely Low Income <30% AMI	2763	99%
Very Low Income 30% - 50% AMI	22	1%
Low Income 50% - 80% AMI	6	0%
<b>By Household Type</b>		
Families With Children	1455	52%
Elderly Households	194	7%
Households with Disabilities	897	32%
Single Persons	245	9%
<b>By Race</b>		
White	1946	70%
Black	426	15%
American Indian, etc.	61	2%
Asian/Pacific Islander/Other	357	13%
<b>By Ethnicity</b>		
Non-Hispanic	2614	94%
Hispanic	176	6%
<b>By Bedroom Size</b>		
1 bedroom	1368	49%
2 bedroom	900	32%
3 bedroom	372	13%
4 bedroom	151	5%

## South Everett

Need Characteristic	Number of Households	Percent
<b>Wait List Total</b>	<b>1285</b>	<b>100%</b>
<b>By Income Level</b>		
Extremely Low Income <30% AMI	1275	99%
Very Low Income 30% - 50% AMI	8	1%
Low Income 50% - 80% AMI	2	0%
<b>By Household Type</b>		
Families With Children	1258	98%
Elderly Households	6	0%
Households with Disabilities	17	1%
Single Persons	4	0%
<b>By Race</b>		
White	893	69%
Black	200	16%
American Indian, etc.	39	3%
Asian/Pacific Islander/Other	153	12%
<b>Ethnicity</b>		
Non-Hispanic	1165	91%
Hispanic	120	9%

By Bedroom Size	Number of Households	Percent
1 bedroom	N/A	
2 bedroom	803	62%
3 bedroom	344	27%
4 bedroom	138	11%

### HASCO Section 8 Waitlist<sup>34</sup>

Also, HASCO administers tenant-based rental assistance programs serving 3,341 households which includes 3,073 HUD Section 8 Certificates/Vouchers, 228 HUD Shelter + Care (McKinney-Vento Homeless Program), and 40 Snohomish County Housing Voucher Program (Ending Homelessness Program).

There are currently 4,706 households on the HASCO Section 8 Voucher Wait List.

- The wait time for Section 8 voucher assistance is between 1 and 5 years, and averages 28 months, with large families spending an average of three years on the waiting list. The length of wait has increased over the past two years, with new applicants currently experiencing approximately a 4-6 year wait.

<sup>34</sup> HASCO, *Information provided on February 3, 2011*

- More than 6% (302) of households on the HASCO Section 8 waitlist are single person households.
- More than 55% (2589) of households on the HASCO Section 8 waitlist are comprised of two to four persons.
- More than 9.5% (447) of households on the HASCO Section 8 waitlist are comprised of five or more persons.
- Many of the households on the Section 8 waiting list are families with incomes of less than 30% of median income
- While minority households make up about 18% of Snohomish County's population, they account for 25% and 23-31% of those waiting for Section 8 rental assistance or public housing. African Americans are represented among households on the waiting lists in higher proportions than what their share is in the countywide population.

In early 2011, HASCO received notification from Snohomish County that they are terminating the Ending Homelessness Voucher Program, effective June 30, 2011. HASCO keeps its Section 8 wait list open at all times.

#### **Housing Needs of Households on the HASCO Section 8 Waiting List**

Need Characteristic	Number of Households	Percent
Wait List Total	4706 <sup>35</sup>	100%
Families With Children	2589	55.01%
Elderly Families	378	8.03%
Families with Disabilities	1437	30.54%
White	3531	75.03%
Black	578	12.28%
American Indian, etc.	119	2.53%
Asian/Pacific Islander/Other	477	10.13%
Ethnicity - Hispanic	297	6.31%

#### **HASCO's Upcoming Projects/Goals**

HASCO plans to consider project-basing tenant-based Section 8 vouchers in the coming year at the following projects:

1. Center House: Project-base up to 10 vouchers for the existing set-aside units with supportive services.
2. Robin Park: Project-base up to 30 units serving elderly and disabled residents.
3. Public Housing: Project-base up to 223 units serving families (see Disposition of Public Housing above for list of properties)

<sup>35</sup> HASCO, *Information received on January 27, 2011*

4. East Terrace II AIDS Duplex: Project base 2 units to replace expiring Project-Based Certificates.
5. Sound Families Initiative: HASCO continues to support the Sound Families Initiative with project-based vouchers but will be evaluating how many of the existing HAP contracts should remain long-term.
6. Glenwood Apartments: Project base 4 units to make the property fully subsidized if HASCO is able to acquire the property but does not get any additional rental assistance from USDA Rural Development.

In addition, HASCO may consider project basing vouchers at other developments if it is necessary for the feasibility of financing project operations.

HASCO also provides housing for the elderly, disabled, and for families in Rural Snohomish County as follows:

Project	# Units	HASCO Additional Housing Units <sup>36</sup>		
		Source of Funding	Operating Subsidy	Household Type(s)
River Vista 1	20	USDA Section 515 loan	USDA Rental Assistance	Elderly (62+)/Disabled
River Vista 2	20	USDA Section 515 loan	USDA Rental Assistance	Elderly (62+)/Disabled
Wrobliski Manor	32	USDA Section 515 loan	USDA Rental Assistance	Elderly (62+)/Disabled
Craigmont	36	USDA Section 515 loan	Section 8 HAP Contract	Elderly (62+)/Disabled
Willow Run	84	USDA Section 515 loan	USDA Rental Assistance	Elderly (62+)/Disabled
Woodlake Manor 3	24	Bonds	Section 8 HAP Contract	Elderly (62+)/Disabled
Hilltop House 1 & 2	30	USDA Section 515 loan	USDA Rental Assistance	Elderly (62+)/Disabled
Soap Suds Row	4	--	Section 8 Project-based Vouchers	Elderly (62+)/Disabled
Fairview Apartments	24	Bonds	Section 8 HAP Contract	Family
<b>Total</b>	<b>281</b>			

### HASCO Additional Housing<sup>37</sup>

*Transitional Housing*- the Housing Authority of Snohomish County operates 59 units of transitional housing for homeless families with children in units it owns. Clients who have project-based vouchers reside in these units which are included in HASCO's

<sup>36</sup> HASCO, *Information provided on February 2, 2010*

<sup>37</sup> HASCO Public Housing Agency Plan for the fiscal year beginning July, 2010

affordable housing properties. Residents of these units receive supportive services such as case management, job training and life skills classes from the YWCA of Snohomish County and Catholic Community Services.

*Homeownership-* HASCO has a Section 8 Homeownership Program for their current voucher holders which enables clients to utilize their housing voucher to obtain a purchase assistance loan to buy their first home. In addition to Section 8 Homeownership, HASCO provides affordable homeownership opportunities at 3 manufactured housing communities in Snohomish County: Thomas Place, Alpine Ridge South and Alpine Ridge East. HASCO has partnered with BECU to provide financing and HomeSight to provide purchase assistance and homeownership counseling. At Alpine Ridge, HASCO has implemented the Manufactured Home Replacement Program to replace the existing pre-HUD code homes in the communities with new, energy-efficient homes as existing residents choose to move out of the communities.

Lastly, just recently HASCO and Everett Housing Authority (EHA) have agreed to a joint operating area for their voucher clients. This policy went into effect on July 1, 2010. As a result, all HASCO and EHA clients are now able to use their Section 8 vouchers anywhere in Snohomish County without needing to port between the housing authorities. The decision of HASCO and EHA to develop a joint operating area is likely to yield a number of benefits, including facilitating de-concentration of poverty and segregation. On a more practical level, eliminating portability decreases stress for Section 8 household, increases housing supply by decreasing lease up delays, and increases customer service responsiveness.

## **Location of Residence**

The City of Everett has identified three neighborhoods, Delta, Riverside and Port Gardner, where CDBG funds will be used to make public infrastructure improvements. These areas have 51%, or more, low- and moderate-income households, based on the 2000 Census.

## **Demographic Conclusions**

1. Families with children comprise 25% of the EHA's Section 8 waitlist and 39% of the public housing wait list, indicating families are disproportionately challenged by a lack of affordable housing and a lack of larger sized rental housing units.
2. Census and other data, including school and housing authority records, indicate persons of color represent an increasing proportion of Everett's diverse population. As Everett's demographic profile evolves, pro-active municipal policies and programs can facilitate fair housing outcomes.
3. Everett's overall homeownership rate remains low. Everett's median household income and median home prices continue to lag behind other municipalities in Snohomish County. Everett experienced an almost 15% home depreciation in the County in 2009. Among identifiable minority communities, Hispanic or Latino

and Native Hawaiian/Pacific Islander residents have the lowest rates of homeownership.

4. The City should favor the lowest income percentile households for funding of services and housing.

## **IV. Fair Housing Complaints**

### **The Complaint Process**

#### **Administrative Agencies**

A resident of Washington may file housing discrimination complaints with HUD, the Washington State Human Rights Commission (WSHRC), or other FHAP agencies. When individuals file complaints with HUD, they are forwarded to one of the substantially equivalent organizations listed in Section II of this report<sup>38</sup>, depending upon jurisdiction. For residents of Everett, HUD generally refers complaints to the WSHRC. Conversely, complaints filed with the WSHRC will be jointly-filed with HUD when the basis of the alleged discrimination is a protected class covered under the federal Fair Housing Act.

#### **Nonprofit Agencies**

To supplement the administrative enforcement mechanisms and assist residents of non-equivalent jurisdictions, or FHAP agencies, HUD established the Fair Housing Initiative Program (FHIP). FHIP agencies, designated as Qualified Fair Housing Organizations (QFHO), coordinate with HUD and the certified administrative agencies to provide education and outreach activities, facilitate enforcement and conduct testing.

Individuals who believe that they have been the victims of illegal discrimination in housing may contact the FHIP (or QFHO) agency directly for assistance. That agency will evaluate the complaint for substance and, where indicated, conduct an investigation that may include testing. Where an administrative agency has to remain impartial, private fair housing organizations (QFHOs) may also assist and support complainants in preparing and filing complaints with the appropriate administrative (or FHAP) agency or in filing lawsuits. The HUD designated QFHO serving western and central Washington is the Fair Housing Center of Washington (Fair Housing Center).

#### **What Happens When a Complaint is Filed?**

Once a complaint is filed with an administrative agency, the parties are encouraged to resolve the complaint by participating in negotiations designed to reach a resolution and to protect the public's interest. Nationally and locally, a high percentage of complaints are closed by conciliation or pre-finding settlements. If conciliation cannot be achieved, the administrative agency determines whether the evidence shows that there is "reasonable cause" to believe that a fair housing violation occurred." Some complaints will be closed with a 'no-cause' determination due to insufficient evidence to support a reasonable cause finding. When a reasonable cause finding is determined, the case may be given an administrative hearing or heard in superior or federal court.

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<sup>38</sup> Unless the complaints are novel or complex.

There are several ways that an Investigation can be settled with HUD<sup>39</sup>. One with is through a no cause determination. If after a thorough investigation, HUD finds no reasonable cause to believe that housing discrimination has occurred or is about to occur, HUD will issue a determination of “no reasonable cause” and close the case. If a complainant disagrees with HUD’s determination that there was no reasonable cause to believe that discrimination occurred or was about to occur they can (1) request reconsideration of the case by sending a letter to the Director of the Office of Enforcement, FHEO, or (2) the complainant can file a civil court action in the appropriate U.S. district court.

For a cause determination and charge, the investigation would produce reasonable cause to believe that discrimination has occurred or is about to occur. In this instance, HUD will issue a determination of “reasonable cause” and charge the respondent with violating the law. HUD will send a copy of the charge to the parties in the case. After HUD issues a charge, a HUD Administrative Law Judge (ALJ) will hear the case unless either party elects to have the case heard in federal civil court within 20 days of receipt of the charge.

Everett complaints based on classes protected under state law (such as marital status) that are not covered under federal law are filed with the state agency (WSHRC). In addition, individuals claiming discrimination based on non-federally protected classes may seek redress in accordance with specific provisions of the local fair housing ordinance.

HUD is required to refer certain complaints to the U.S. Department of Justice for enforcement and investigation. These are complaints that involve:

- A pattern of discrimination which is widespread or a practice of discrimination that affects a large number of people
- Actions of government licensing or supervisory authorities
- The legality of local zoning or land use laws
- Issues of general public importance

## **Everett Fair Housing Complaint Data**

From November 1, 2005 to September 30, 2010 there were 67 complaints with 89 bases<sup>40</sup> filed with HUD and the WSHRC alleging discriminatory housing practices in Everett. During the five-year period, an average of 13.4 complaints was filed per year, with 2006 and 2009 exceeding the average.

In Everett, disability (58%) and race (19%) were the most frequent bases for complaints, followed by national origin (10%), retaliation (7%), and sex (3%).

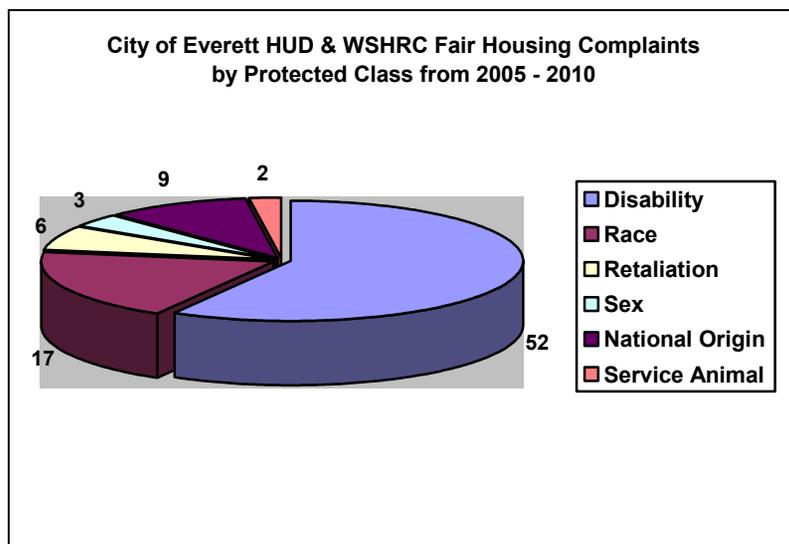
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<sup>39</sup> HUD's Title VIII Fair Housing Complaint Process, <http://www.hud.gov/offices/fheo/complaint-process.cfm>

<sup>40</sup> This means that a single complainant can, for example, allege discrimination based on national origin *and* familial status (or other protected classes) in the same complaint.

In the disability cases, 43% were related to a failure to make a reasonable accommodation. A reasonable accommodation<sup>41</sup> is a change in rules, policies, practices, or services, when such accommodations may be necessary to afford a person with a disability an equal opportunity to use and enjoy a dwelling. A reasonable modification<sup>42</sup> is a structural change made to existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises. Reasonable modifications can include structural changes to interiors and exteriors of dwellings and to common and public use areas. Both types of accommodations can be made at anytime during the tenancy.

The following graph details the distribution of complaints:



Of the 63 cases closed from October 4, 2005 through August 26, 2010, 35.48% were closed through successful settlement or conciliation or withdrawn following a successful resolution. 61.7% of cases were closed following a determination of “no cause”. Cases closed for a variety of reasons constituted 3.18% (ex: that a complainant could not be located), and 6% remained open<sup>43</sup>. There were no “reasonable cause” findings.

#### Settlement Amount Comparison

Federal Way 2005-2010	Everett 2005-2010	Renton 2005-2010
\$17,442	\$10,108	\$5,000

<sup>41</sup> HUD Disability Rights in Housing, <http://www.hud.gov/offices/fheo/disabilities/inhousing.cfm>

<sup>42</sup> HUD DOJ Joint Statement on Reasonable Modifications  
[http://www.hud.gov/offices/fheo/disabilities/reasonable\\_modifications\\_mar08.pdf](http://www.hud.gov/offices/fheo/disabilities/reasonable_modifications_mar08.pdf)

<sup>43</sup> Could not locate complainant, complainant failed to cooperate, complaint withdrew complaint, dismissed for lack of jurisdiction, unable to locate complainant, judicial dismissal.

A total of \$10,108<sup>44</sup> was paid by Respondents in the course of settling fair housing cases in Everett. This entire amount constitutes settlements for disability-based complaints only. For the period of 2005 through 2010, the Everett settlement amount fell in between Federal Way and Renton in terms of settlement amounts for cities with comparable populations. Though the rate of complaint settlement does not necessarily measure the strength of discrimination allegations, the value of settlements is a variable in considering impediments to fair housing choice particularly for disabled home seekers.

Non-monetary settlements can also be an important source of fair housing redress. For instance, granting reasonable accommodations and modifications greatly increases a person’s ability to enjoy their dwelling. Furthermore, modifying occupancy standards to allow larger households to have access to units needed assists families with children, is an example of how a non-monetary settlement or policy changes can be just as effective with regards to settling fair housing complaints.

### National Trends

An analysis of national trends in fiscal year 2009<sup>45</sup> showed that disability (44%) and race (31%) represent the most frequent bases for complaints filed with administrative enforcement agencies.

<b>Top Two Protected Classes</b>	<b>National</b>	<b>Everett</b>
Disability	44% (1 <sup>st</sup> )	58% (1 <sup>st</sup> )
Race	31% (2 <sup>nd</sup> )	19% (2 <sup>nd</sup> )

With respect to national case closures, a determination of reasonable cause was found in 6% of cases, 47% were no cause, 16% were administratively closed, and 31% were either settled or successfully conciliated.

<b>Closure Type</b>	<b>National</b>	<b>HUD/WSHRC (WA State)</b>
Reasonable Cause	6%	2%
Successful Settlement	31%	37%
No Reasonable Cause	47%	34%

Everett cases reported no cause findings and a rate of successful settlements and resolutions at 25%, which are below the national averages, shown in the above chart. Everett’s rate of no cause findings, at 61.66%, is substantially higher than the national no cause rate of 47%. Per capita complaint data is unavailable at the jurisdictional level at this time.

<sup>44</sup> Some of the settlement amounts have multiple protected class bases.

<sup>45</sup> U.S. Department of Housing and Urban Development, “*The State of Fair Housing-Annual Report on Fair Housing FY 2009*”

**Everett Fair Housing Settlement Awards 2005 – 2010**

Disability	\$10,108
Total Settlement Awards	\$10,108

**Complaint Statistic Conclusions**

1. In accordance with national trends, in the City of Everett complaints alleging discrimination on the basis of disability and race are more frequent than all other complaints. While disability and race comprise the top two protected classes cited in fair housing complaints filed nationally, family status comes in as the third most frequent protected class (20%). In Everett during this time period there were no familial status fair housing complaints filed.
2. Everett's is in between the national and state average for settlements of complaints and has a higher than average rate of no cause findings, at 61.66%.
3. Disability complaints are first in terms of the number of fair housing complaints and were the only protected class bases which resulted in fair housing monetary settlement relief.

## **V. Identification of Impediments to Fair Housing Choice**

### **Impediments to Fair Housing Choice in Rental Housing**

#### **Introduction to Testing**

Testing refers to the use of individuals who, without a bona fide intent to rent or purchase a home, apartment, or other dwelling, pose as prospective renters or purchasers to obtain information for the purpose of evaluating the compliance of housing providers with fair housing laws. In the landmark case, *Havens v. Coleman*, the United States Supreme Court recognized the importance, legality and power of testing as a mechanism for measuring and correcting discriminatory housing practices.

Fair housing testing utilizes rigorous protocols to ensure that any discrepancies identified in the course of testing can be attributed to differential treatment. Because of the multiple variables involved in a housing transaction, testing results are not definitive measures of discriminatory conduct in the rental housing market. Nonetheless, the aggregate results of testing conducted in Everett provide an opportunity to objectively identify geographical and protected class trends critical to the identification of impediments to fair housing choice.

For the purposes of this report, testing results are defined as either “positive” or “negative”. A test will be defined as “positive” when one or more adverse differences are identified in the information provided to the protected class tester compared to their non-protected counterpart. For example, if a protected class tester is provided a higher quote for security deposit than the control tester, the test will be defined as “positive” because it is evidence of differential treatment. Tests are defined as “negative” when testers are provided equivalent information (or given equal treatment) regarding housing opportunities (no differential treatment). Overall, while testing may provide an objective means to identify differential practices, the presence of differences does not necessarily mean that a housing provider is engaging in housing discrimination. Likewise, the lack of observed differences at a particular site does not preclude the existence of discriminatory practices.

#### **Testing in Washington State**

Testing has taken place throughout the State of Washington since the mid-1990s as evidence for complaints and for audit testing. The purpose of audit testing is to gain perspective on housing practices in a given area. While all enforcement agencies have contracts to conduct complaint-based testing, the following chart highlights statewide audit testing activities in the past five years:

### Audit Testing in Washington State 2005-2010

Year	Type	Protected Class	# of Tests
<b>Seattle Office for Civil Rights</b>			
1999/2000	Rental	Race (Black)	42
1999/2000	Rental	Familial Status	42
2001/2002	Rental	National Origin (Hispanic, Cambodian & Middle Eastern)	105
2003	Rental	Race	50
2004	Mortgage Lending	Race and National Origin (Hispanic)	20
2011	Rental	Race and Disability	60
<b>King County Office for Civil Rights</b>			
2002/2003	Rental	National Origin (Hispanic & Cambodian)	30
2005	Rental	Race (Black), National Origin (Hispanic), Familial Status and Disability	39
2009/2010	Rental	Race, National Origin, Familial Status, Disability, Section 8	24
<b>Washington State Human Rights Commission</b>			
2001/2002	Rental	National Origin (Hispanic) in Thurston County	30
<b>Northwest Fair Housing Alliance</b>			
2000-2002	Sales	National Origin (Hispanic & Middle Eastern) in Spokane/Eastern Washington	48
2000-2002	Rental	National Origin (Hispanic & Middle Eastern) in Spokane/Eastern Washington	108
2003-2004	Rental	National Origin (Hispanic) in Spokane/Eastern Washington	96
2003-2004	Sales	National Origin (Hispanic) in Spokane/Eastern Washington	32
2003-2004	Mortgage	National Origin (Hispanic) in Spokane/Eastern Washington	15
2004-2005	Rental	National Origin (Hispanic) and Race (Black) in Spokane/E. WA	56
2004-2005	Sales	National Origin (Hispanic) and Race (Black) in Spokane/E. WA	30
2004-2005	Mortgage	National Origin (Hispanic) in Spokane/Eastern Washington	12
2005-2006	Rental	National Origin and Race (Black) in Spokane/Eastern Washington	83
2005-2006	Sales	National Origin (Hispanic) and Race (Black)	20
2005-2006	Mortgage	National Origin (Hispanic) and Race (Black) in Spokane/Eastern Washington	16
2006-2007	Rental	National Origin (Hispanic, Ukrainian and	50

	Site	Middle Eastern), Familial Status, Disability, Race (Black) in Spokane/Eastern WA	
2006-2007	Rental Phone	National Origin (Hispanic accent) and disability (TYT System) in Eastern/Central Washington	40
2006-2007	Sales	National Origin (Hispanic) in Spokane/Eastern Washington	5
2006-2007	Mortgage	National Origin (Hispanic) in Spokane/Eastern Washington	5
<b>Fair Housing Center of Washington</b>			
1998	Rental	Disability in Pierce County	30
1999	Rental	National Origin (Hispanic) in Yakima	30
2001-2003	Rental	National Origin (Hispanic & Chinese) in Whatcom/Skagit Counties	30
2001-2003	Sales	Race (Black) and National Origin (Hispanic) in Pierce County	30
2003	Sales	Race (Black) and National Origin (Hispanic) in Pierce County	30
2004	Rental	Race (Black) and National Origin (Hispanic) Port Angeles	20
2004	Rental and Sales	Race (Black) and National Origin (Hispanic) Longview/Vancouver	30
2005	Rental and Sales	Race (Black) and National Origin (Hispanic) Snohomish County	30
2006	Rental	Native American testing for Skagit & Whatcom Counties	30
2006-2007	Rental	Race (Black) and National Origin (Hispanic) Kitsap County	30
2006-2007	Rental	Race (Black) Pierce County	22
2008-2009	Rental	Disability, Race (Black), National Origin Thurston and Mason Counties	30
2010	Rental	Race (Black) San Juan and Island Counties	20

### **Rental and Sales Testing in Everett**

Between 2005-2010, the Fair Housing Center of Washington (Fair Housing Center) conducted nine matched pair tests in Everett. Testing sites were identified based on complaints from citizens and as a result of initiatives to survey particular niches within the rental housing industry. Though the Fair Housing Act includes seven protected classes, due to limited resources, testing activity in Everett was limited to the protected classes of disability and national origin (Hispanic).

#### **Data Scope and Limitations**

1. Testing was limited to rental and sales transactions.

2. Because of non-representative sample sizes at the census tract level, testing results are analyzed in the aggregate to identify general market trends.
3. Testing was conducted at various types of rental housing facilities and test results include data from testing conducted at apartment complexes, for-sale condominium developments and single-family dwellings. For the purposes of this analysis, housing facilities are analyzed in the aggregate rather than by type of facility.
4. Because most complaints of housing discrimination are from on-going rental transactions, testing may not always effectively identify discrimination in the terms and conditions of tenancy.

The Fair Housing Center conducted a total of nine match-paired rental tests at five sites, including four apartment complexes and one assisted living facility.

Some of the tests were conducted as part of a larger Private Enforcement Initiative (PEI) testing audit of rental and for-sale housing conducted throughout Snohomish County. Three tests were conducted in response to complaints from the community or retests resulting from prior testing indicating differential treatment.

This testing includes eight tests based on disability, specifically for a reasonable accommodation for a service animal, or a wheelchair user, and one on the basis of national origin (Hispanic). Testing conducted at a property in Everett, WA indicated differences in treatment due to disability. The disabled tester was informed that there were no housing units available for persons with diabetes who use insulin or for persons who use motorized wheelchairs. This property had follow-up testing completed and a HUD case was filed against the property.

The following chart identifies tests conducted in Everett:

**2005-2010 Audit and Complaint Testing in Everett**

Location	Tests Indicating Differential Treatment		Tests Without Indications of Differential Treatment		Total Tests
	Number	Percent	Number	Percent	
Snohomish County – Outside of Everett	13	43%	17	57%	30
Everett	8	88.9%	1	11.1%	9
Total Tests by Outcome	21	53.8%	18	46.2%	39

Fair Housing Center of Washington

## Fair Housing Logos and Advertisements

Fair housing laws include provisions to address discrimination in the advertising of available rental and sales property. It is illegal to advertise any preference, limitation, or otherwise encourage discrimination because of the classes protected under federal and state laws. As an example, advertising in local media sources should not show preference for adults or dissuade families with children. Most newspapers include HUD's Equal Housing Opportunity logo and include a disclaimer stating that:

"All real estate advertising in this newspaper is subject to the Fair Housing Act which makes it illegal to advertise "any preference limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation or discrimination. Familial status includes children under 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18. This newspaper will not knowingly accept any advertising for real estate which is in violation of the law. Our readers are hereby informed that all dwellings advertised in this newspaper are available on an equal opportunity basis. To complain of discrimination call HUD Toll-free 1-800-669-9777. Toll-free hearing impaired 1-800-927-9275."

The *Snohomish Tribune*, *the Herald*, *The Little Nickel*, *the Pennysaver*, and *Craigslis*, web sites were reviewed for a period of time to ascertain whether or not they included a publisher's notice, an equal opportunity logo, or links to any resources on how to place an advertisement abiding with federal, state or local fair housing laws.

Snoho.com<sup>46</sup> (Snohomish Tribune's website) was the only website on which any fair housing notices or logo was located. A review of the website did not reveal any discriminatory ads. A disclaimer on website noted that 'The Fair Housing Act prohibits discrimination in the rental, sale, or financing of dwellings. www.hud.gov.'

The Little Nickel<sup>47</sup>, despite having no visible fair housing warning, was free of discriminatory advertisements during the period of review. Several of the ads for available rentals included pictures of the fair housing logo, as well as a wheelchair logo indicating that the unit is handicap accessible/friendly. It also appears that an overwhelming majority of landlords accept section 8, and there were no advertisements that explicitly denied section 8, which was common on many other sites. Because Source of Income is slated to become a federally protected class in 2011, there may be fair housing implications with regards to denying rental opportunities to individuals who utilize Section 8 vouchers.

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<sup>46</sup> <http://snoho.com/Classified.html#realestate>

<sup>47</sup> <http://www.littlenickel.com/bluefin.cmp?action=home&bfcid=631e3meposaa8medica37a26g1&sfid=2>

The Pennysaver<sup>48</sup>, because of its cost to publish an advertisement, seems to be used almost exclusively for the sale of houses. There were very few mentions of section 8 and there were no advertisements which discriminate against a protected class.

The Herald<sup>49</sup> has the largest classified section out of all the publications, and despite finding no blatantly discriminatory ads against federally protected classes, there were many more ads which stated that Section 8 would not be accepted than in any other publication. At this time source of income is not a federally protected class but soon will be, along with sexual orientation and gender identity.

Craigslist has implemented a fair housing posting on the website which states that a discriminatory preference in a housing posting is illegal. The disclaimer goes on to state that “when making any posting on craigslist, you must comply with section 3604(c) of the Federal Fair Housing Act. This law generally prohibits stating, in any notice or ad for the sale or rental of a dwelling, a discriminatory preference based on any of the following protected categories: Race or Color, National Origin, Religion, Sex, Familial Status and Handicap / Disability. A review of Craigslist ads placed for rentals and sales in the City of Everett was conducted between November, 2010 and January 2011. There were hundreds of different ads was placed during this time period for the rental and sale of housing in Everett. Some of the ads hinted at discriminatory advertising for a specific preference, for example one ad stated that “No Nigerians, Only deal with locals, Quiet and safe neighborhood,” and another stated that “The building is a “Quiet Building.”

In the previous AI, a review of the web sites of the City of Everett and the Everett Housing Authority did not include links to any fair housing resources. The Housing Authority’s website contained no fair housing logos, statements or links to fair housing resources and only on page 12 of a 34-page application for subsidized housing does the Housing Authority indicate its commitment to non-discrimination.

A recent review of the Housing Authority’s website shows the fair housing logo on the home page of the website. Also, under the link to ‘Related Websites’, EHA has an additional link to HUD’s national website as well as the local HUD offices in Seattle. EHA’s ‘Public Housing Admission and Occupancy Policy,’ has a detailed section with regards to fair housing entitled “Statement of Non-Discrimination and Fair Housing Policy”, which states that the “Everett Housing Authority fully complies with all Federal, State, and local nondiscrimination laws and with rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.” The Policy goes on to state that the EHA will comply with all laws relating to Civil Rights, including Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 (as amended by the

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<sup>48</sup> [http://www.pennysaverusa.com/classifieds/real-estate/houses-and-apartments-for-rent/usa/washington/snohomish/snohomish/radius-2/#search-url:/search/advanced/?query=&category=1011658&region=31317&advert\\_type=1&radius=5&price\\_min=&price\\_min=&query=&radius=5](http://www.pennysaverusa.com/classifieds/real-estate/houses-and-apartments-for-rent/usa/washington/snohomish/snohomish/radius-2/#search-url:/search/advanced/?query=&category=1011658&region=31317&advert_type=1&radius=5&price_min=&price_min=&query=&radius=5)

<sup>49</sup> <http://www.heraldnet.com/section/classifieds>

Community Development Act of 1974 and the Fair Housing Amendments Act of 1988), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, The Age Discrimination Act of 1975, Title II of the Americans with Disabilities Act, and Section 607 of "Violence Against Women Act" (VAWA) of 2005.

The Everett Housing Authority is to be commended for its statement that it "will not discriminate against any applicant or tenant at any stage of the admissions and the occupancy process because of race, color, national origin, religion, creed, sex, age, handicap, or familial status. The EHA will not deny a person admission to public housing, provide housing which is different than that provided others, subject a person to segregation or disparate treatment, restrict a person's access to any benefit enjoyed by others in connection with the public housing program, treat a person differently in determining eligibility or other requirements for admission, deny a person access to the same level of services, or deny a person the opportunity to participate in a planning or advisory group which is an integral part of the public housing program, on the basis of race, color, national origin, religion, creed, sex, age, handicap, or familial status."

The Snohomish County Housing Authority's website was reviewed to assess fair housing resources listed. On the main page of the website under "Programs" the housing authority lists a link entitled 'The Fair Housing Act' which directs individuals to the Fair Housing/Equal Opportunity page of HUD's website. Also, under the "Resources" tab on the website, there is a section on Fair Housing which lists the protected classes and invites viewers to learn more about the Fair Housing Act and what it means to both landlords and tenants. By clicking on "Learn more," individuals are taken to the Fair Housing/Equal Opportunity page of HUD's website. The fair housing logo can be found on the website including under the 'Developments' tab at the bottom of the page. HASCO is to be commended for having a stand alone tab that directly links to Fair Housing information and HUD's website.

A review of the City of Everett's website revealed that there were fair housing references in the Crime Free Rental Housing Program's Applicant Screening Packet. The Workbook states that the Federal Fair Housing Laws "strictly prohibit any discrimination against these protected classes: race, religion, handicap, national origin, sexual preference, color, sex, familial status, and source of income." The Everett Police Department oversees the Crime Prevention Unit, which includes the Crime Free Rental Housing Program. The flier for the program begins as follows: "Federal fair housing laws apply nationwide but individual States govern most rental relationships through landlord-tenant laws." A search for fair housing resources was conducted on the City's websites. At this time, no links to federal, state, or local resources on fair housing was found.

## **Rental and Sales Impediments Summary**

1. Though limited in scope, testing conducted in Everett indicated very few instances of differential treatment, especially in contrast to testing results from neighboring communities.
2. Additional match-paired testing will be necessary to better illuminate fair housing trends in Everett's housing markets.
3. There is a need for fair housing information directed towards programs that affect an individual's housing choice. Housing programs would benefit from educating staff members and should implement policies that further fair housing in programs that members of protected classes will most likely utilize.
4. With the exception of HASCO and EHA, on-line community resources lack adequate fair housing information, including what protected classes are and where individuals can go for fair housing complaints and remedies.

## **VI. Public Perception of Housing Discrimination in Everett**

### **Survey and Public Forums**

#### **Community and Agency Survey**

The Fair Housing Center distributed a fair housing survey to 206 Everett residents, city officials, the Everett Housing Authority (EHA), the Housing Authority of Snohomish County (HASCO), and human service agencies. Overall, responses to the survey were high. Of 206 surveys distributed, 58% (123) were returned and all of the respondents lived in Everett or provided services to Everett residents. In addition, the Fair Housing Center conducted interviews with a representative of the Dispute Resolution Center (DRC), the Navy housing office, the Domestic Violence Services of Snohomish County, and the Housing Consortium of Snohomish County, as well as social service providers. Where relevant, community and agency survey comments are supplemented by a review of fair housing issues expressed by actual residents who contacted the DRC.<sup>50</sup>

Overall response to the survey was high, and survey results demonstrated an understanding of basic knowledge about fair housing protections and enforcement options. Although responders indicated that they “understand the basics” or had “a thorough knowledge of fair housing laws”, some of the respondents incorrectly identified protected classes under the federal and state fair housing laws enforced in the City of Everett.

Respondents were provided a list of eight human service and government agencies and asked to identify up to three agencies responsible for providing fair housing enforcement assistance to Everett residents. Of the fair housing resources correctly selected, 22% indicated the Washington State Human Rights Commission, 15% selected the Fair Housing Center, 12% selected the Dispute Resolution Center and 10% selected HUD. Of the agencies incorrectly identified as fair housing resources, 15% selected the State Attorney General, 5% selected the City of Everett, and 10% each selected the Tenants Union and the Everett Housing Authority. Columbia Legal Services was identified 2% of the time.

Eleven survey participants responded to a question asking them to indicate the frequency of discrimination in the sale of housing and 40% of the responses indicated sales discrimination never occurs while 50% indicated discrimination in sales occurs occasionally or rarely.

#### **Survey Results**

**City of Everett-** Of the 22 surveys sent to the City of Everett’s Planning and Community Development Department, 10 responses were received. All respondents indicated that

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<sup>50</sup> Note that no personal identifying information was provided to the Fair Housing Center and DRC client privacy was ensured at all times.

they provide services to City of Everett residents. 40% of respondents marked that their knowledge of fair housing issues including that they know understand the basics, 30% know a little, and 20% have thorough knowledge. With regards to the extent of discrimination in the sale of homes in Everett, 80% feel that discrimination is either non-existent or rare, and 10% marked that it is occasional. Regarding discrimination in the rental market in Everett, 70% feel that discrimination is either non-existent or rare, and 20% marked that it is occasional.

42.8% of respondents marked that they are aware that financial institutions are reluctant to make mortgage loans to specific 'groups' or in certain areas, while 28.5% indicated that they are aware of people being discouraged from applying for certain housing. 14.2% marked that they are aware of building codes or zoning laws impeding fair housing choice. None of the individuals that responded have knowledge that there are specific areas of the City of Everett in which housing discrimination is more common than other areas of the city. A majority of the respondents would refer complaints of discrimination to either the Washington State Office of the Attorney General, HUD, or Everett Housing Authority, followed by the Washington States Human Rights Commission, the Tenants Union, and the City of Everett.

When asked to choose the protected classes under the Federal Fair Housing Act, the Washington Law against Discriminations, and the Everett Fair Housing Ordinance, all respondents correctly chose two protected classes: Race and Disability. 90% chose Color and Religion/Creed, 80% chose Sexual Orientation, as well as Age which is not actually a protected class. National Origin and Veterans Status was chosen by 70% of responders, while Marital Status and Gender Identity were chosen by 60%. Section 8 was marked by 50%, Source of Income by 40%, and Familial Status, Ancestry, and Political Ideology by 30%. 20% of responders marked Criminal History, which like Age, is not a protected class.

Fair housing resources which are known to individuals that responded to the survey include fair housing brochures (66.6%), fair housing training for victims of domestic violence (33.3%), and fair housing training for the rental industry, real estate industry, lending industry, persons wishing to buy homes, and disabled persons (22.2% each). 11% of responders are aware of fair housing resources for new immigrants and disabled persons (11%). 40% of responders believe that currently there is not sufficient education and outreach and resources on housing discrimination issues, while 30% believe that there is. 50% marked that they believe that more research is needed on whether housing discrimination takes place, while 20% do not believe that more research is needed.

Lastly, when asked if zoning laws should be reviewed with an eye to fair housing choice, 60% of survey participants marked yes. Of the comments received, one individual stated that "People who are returning from prison are often discriminated against in their search for decent and safe affordable housing. This is an issue which should be addressed at the State and local level." One comment of note was as follows: "I believe the Everett Housing Authority does a good job of providing housing

without discrimination. There are inadequate resources to know the full extent of housing discrimination in Everett. We would be willing to review our zoning laws to determine if there are barriers to fair housing choice for legitimate housing. However, we have a few rental housing owners with a business model of chopping up older houses, without zoning approval or building permits, to create rooming houses without meeting basic building codes for life safety, sanitation, parking, or common decency. When we learn of these situations and attempt to enforce, the owner will invoke terms like "clean and sober house" under the presumption the City cannot regulate them under the Federal Fair Housing Act. We have owners who are less dishonest, but who do not adequately maintain their rental housing, which creates problems for tenants, who often are afraid to ask for repair or complain for fear of being evicted."

**Everett Housing Authority (EHA)** - Of the 122 surveys sent to the Housing Authority of Snohomish County staff, 80 responses were received. 12.5% of all respondents indicated that they provide direct services for Section 8, 12.5% indicated that they were administrative/back office support, 22% were Maintenance staff, 5% were Supervisor/Managers of direct client services, while 1 % were Supervisors/Managers of back office operations, 1% were Executive Level of direct client services, 2.5% were Executive Level of back office operations, 1% worked in the FSS/Homeownership program, and 40% marked Other. When asked to describe their understanding of fair housing issues, 34% answered that they 'don't know much,' 15% 'know a little,' 34% 'understand the basics,' and 17.5% have a through knowledge. With regards to the extent of discrimination in Snohomish County's rental market, 51% feel that discrimination is either non-existent or rare, 27.5% marked that it is occasional, and 4% believe that it is common.

5% of survey participants marked that there were specific areas of Snohomish County in which housing discrimination is more common within the city limits of Everett, including 'because of race and age,' and 'in various areas and when Section 8 clients express interest in renting.' One respondent stated that they know that discrimination is out there but that they do not know where exactly." Of the EHA staff that responded, 44% noted that they were personally aware of neighborhood opposition to affordable housing, while 10% marked that building codes or zoning laws impeded fair housing choice. 19% of respondents were aware of Housing Authority clients claiming discrimination, and 7.5% of these marked that clients claimed discrimination by the Housing Authority or staff, 9% stated that claims were due to rental housing denials, 10% stated that failure to provide a reasonable accommodation was a reason, or landlords refused Section 8 vouchers, while 4% marked that claims were due to discriminatory rule enforcement. Among the comments regarding the nature of discrimination that clients claim was that the survey participant "often hears from disabled clients that they are being refused reasonable accommodation in regards to service animal. I believe that many managers and owners are unaware of the fair housing laws."

A majority of the respondents would refer complaints of discrimination to the HUD (45%), the Fair Housing Center of Washington (35%), and the Washington States

Human Rights Commission (32.5%), followed by the Dispute Resolution Center (29%), the Washington State Office of the Attorney General (12.5%), and the Tenants Union (5%). Some of the respondents (16%) would refer individuals to EHA internally, the Northwest Justice Project, King County Office of Civil Rights, or Columbia Legal for fair housing.

When asked to choose the protected classes under the Federal Fair Housing Act, the Washington Law against Discriminations, and the Everett Fair Housing Ordinance, 80% of respondents correctly chose Race, 77% chose Color, 72.5% chose Religion, 69% chose Disability. 55% marked Sexual Orientation, over 61% chose National Origin, and 44% chose Familial Status and Veterans Status and over 61% chose Age, the latter of which is not a protected class. Marital Status was marked by 51%, while Gender Identity and Ancestry was chosen by a little over 38% of survey participants. Source of Income, though not a protected class was chosen by 25%, while Political Ideology and Criminal History were marked by 26% and 16% of respondents, respectively. One comment received by an individual stated that they 'believe Section 8 should be a protected class as are race, religion, disability, whether you have children, etc.'

Fair housing resources which are known to individuals that responded to the survey include fair housing brochures (54%), fair housing training for the rental industry (31%), fair housing training for renters and social service providers (22% each), and fair housing training for victims of domestic violence were identified by 21%. 15% of survey takers marked that they were aware of fair housing resources for persons wishing to buy homes, disabled persons, and new immigrants. Known resources for the real estate industry were indentified by 12.5%, while resources for the lending industry were identified by 7.5% of respondents. 30% of responders believe that currently there is not sufficient education and outreach and resources on housing discrimination issues, while 44% believe that there is. 50% marked that they believe that more research is needed on whether housing discrimination takes place, while 22.5% do not believe that more research is needed. One survey participant commented that 'perhaps the City of Everett could publically announce and provide Fair Housing workshops every six months so that more people can become familiar with it and how it can affect them, and also provide the same for landlords.'

Lastly, 34% of survey participants at EHA believe that non-compliance with fair housing law occurs in affordable housing and 47.8% believe that zoning laws should be reviewed with an eye to fair housing choice. One survey participant stated that 'there may be fair housing issues in the City of Everett and I think the Washington State Department of Human Rights Commission should see if "Testers" in different areas would give us more definite answers.'

**Housing Authority of Snohomish County (HASCO)** - Of the 62 surveys sent to the Housing Authority of Snohomish County staff, 40 responses were received. 17.5% of all respondents indicated that they provide direct services for Section 8, 17.5% indicated that they were administrative/back office support, 15% were Maintenance staff, 7.5% were Supervisor/Managers of direct client services, while 7.5% were

Supervisors/Managers of back office operations, 2.5% were Executive Level of direct client services, 5% were Executive Level of back office operations, and 17.5% marked Other. When asked to describe their understanding of fair housing issues, 2.5% answered that they 'don't know much,' 15% 'know a little,' 65% 'understand the basics,' and 17.5% have a through knowledge. With regards to the extent of discrimination in Snohomish County's rental market, 52.5% feel that discrimination is either non-existent or rare, 42.5% marked that it is occasional, and 5% believe that it is common.

15% of survey participants marked that there were specific areas of Snohomish County in which housing discrimination is more common, including 'within the city limits of Everett,' as well as 'rural areas in north Snohomish County,' and 'extreme urban and extreme rural areas of the county where populations are at their lowest and highest. One respondent stated that housing discrimination is 'more prevalent with private landlords who do not access Property Management Companies,' while another commented that "Private market landlords do not have enough knowledge and education on Fair Housing especially a homeowner renting their duplex or home to others on the private market or even to a Section 8 tenant-- This is where I believe more fair housing discrimination takes place, unlike housing authorities and federal subsidized properties due to the education and training requirements mandated by HUD. We have the tools and resources to get educated, staff to monitor compliance of issues such as Section 504, Americans with Disabilities Act, evaluating personal needs assessments at our properties and know we are required to provide reasonable accommodation requirements to those that meet the definition'. One survey participant stated that there is 'more discrimination towards those who are disabled."

Of the HASCO staff that responded, 87.5% noted that they were personally aware of neighborhood opposition to affordable housing, while 18.7% marked that building codes or zoning laws impeded fair housing choice. 22.5% of respondents were aware of Housing Authority clients claiming discrimination, and 12.5% of these marked that the nature that the clients claimed was discrimination by the Housing Authority or staff, 15.6% stated that claims were due to rental housing denials, 6.2% stated that failure to provide a reasonable accommodation was a reason, or landlords refused Section 8 vouchers, while 3.1% marked that claims were due to people being told that they must rent units in a certain area of an apartment complex.

A majority of the respondents would refer complaints of discrimination to the Dispute Resolution Center (60%), the Fair Housing Center of Washington (55%), and HUD (45%), followed by the Washington States Human Rights Commission (37.5%), the Washington State Office of the Attorney General (25%), and the Tenants Union (10%). Some of the respondents (15%) would refer individuals to their Section 8 manager, the Northwest Justice Project, or HASCO's website that contains information on HUD and fair housing.

When asked to choose the protected classes under the Federal Fair Housing Act, the Washington Law against Discriminations, and the Everett Fair Housing Ordinance, over 90% of respondents correctly chose four protected classes: Race, Color, Religion, and

Disability. 70% marked Sexual Orientation, over 50% chose National Origin, Gender Identity, Familial Status, and Age, the latter of which is not a protected class. Marital Status was marked by 44%, while Veterans Status and Ancestry was chosen by a little over 20% of survey participants. Source of Income, though not a protected class was chosen by 17.6%, while Political Ideology and Criminal History were marked by 5.8% of respondents.

Fair housing resources which are known to individuals that responded to the survey include fair housing brochures (95%), fair housing training for the rental industry (27%), fair housing training for renters and disabled persons (20.5% each), and fair housing training for the real estate industry and social service providers (17.6% each). Training for victims of domestic violence were identified by 14.7%, while fair housing resources for the lending industry were identified by 8.8% of respondents. 40% of responders believe that currently there is not sufficient education and outreach and resources on housing discrimination issues, while 60% believe that there is. 50% marked that they believe that more research is needed on whether housing discrimination takes place, while 50% do not believe that more research is needed. Lastly, 55% of survey participants at HASCO believe that non-compliance with fair housing law occurs in affordable housing and that zoning laws should be reviewed with an eye to fair housing choice. One person state that with regards to zoning laws and affordable housing in communities, "Personally communities should be mixed incomes for several reasons but a major factor is because of crime levels would be lower in mixed areas versus poverty stricken areas targeted as "low income families".....I hope to see this change in the housing industry in the future because it will definitely decrease the amount of discrimination law suits clogging our court system. Furthermore, I am not sure if it will be a benefit to Housing Authorities or a disservice but clients residing in or on subsidized programs should be required or given the option to receive training on fair housing laws so they know what is and isn't considered discrimination. Often this word is thrown around too easily when it's a serious matter that is not taken lightly and should not be misconstrued from the legal definition."

## **Public Forum**

A fair housing forum was held on April 27, 2011 in Everett, WA at the City building. There was one citizen in attendance, along with one individual from a social service agency. In addition, there were representatives from the City of Everett, the Everett Housing Authority, and the Housing Authority of Snohomish County. An AmeriCorps volunteer was in attendance to interpret for Spanish speaking individuals, although there were none who attended. Some of the topics discussed pertained to landlord-tenant issues, such as application fees. The one citizen that attended had minimal knowledge of fair housing protected classes or laws, and had questions regarding incidences that occurred at the mobile home park where she resides.

## **Dispute Resolution Center Interview**

A representative of the DRC provided data to FHCW staff and background information on fair housing inquiries received from residents of Everett and Snohomish County. According to the DRC, families with children and residents with disabilities are frequent sources of fair housing inquiries. 2010 Everett inquiries of note include:

- A caseworker for a human services agency contacted the DRC for assistance on behalf of a blind client occupying her home with the assistance of a dog. The caseworker was concerned that a potential landlord did not fairly review her application for housing.
- A disabled resident complained that her housing provider would not make accessible pathways.
- A family complained that the apartment manager would provide multiple inspections to make sure that the children were not damaging the residence.

According to the DRC, there were 1283 total landlord tenant inquiries in 2010 within Everett. The number of fair housing inquiries received likely underestimates the incidence of local fair housing problems. This may be due to the community's lack of knowledge and the complexity and time involved in filing a fair housing complaint may dissuade victims of discrimination from reporting fair housing issues, much less seeking enforcement assistance.

The DRC believes lack of funding for education and outreach may explain the relative infrequency of fair housing inquiries. The DRC believes that increased education and outreach through community partnerships would increase fair housing inquiries from the community, especially hard to reach and/or special needs populations. Additional public education is needed to provide clients the basic knowledge that they have certain rights that they can learn to enforce.

## **Navy Housing Office**

The Director of the Everett Naval Housing Office was contacted for knowledge of fair housing concerns observed in the course of their work<sup>51</sup>. Both the Case Manager and the Housing Director indicated that they are not aware of any fair housing cases brought to the housing office, and that no fair housing issues have come up because they "rarely deal with issues like that there." The Naval Housing Office supports and assists service members of all branches. When asked if there were any Veterans who had complained of experiencing housing discrimination, the Director stated that the Veterans are turned over to the VA when there is an ADA or disability related issues. There are several housing programs for military families. The Rental Partnership Program (RPP) is designed to help military families find affordable, secure, quality off-base rental property at their new duty stations. RPP also provides property owners with stable, pre-qualified renters. There is also the Public/Private Venture (PPV) Housing program. On February

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<sup>51</sup> Hermes Macunulty, Director *Interview on January 31, 2011*

1, 2005, Navy Family Housing in the Northwest became privatized, with the exception of Naval Base Kitsap's Jackson Park. The Navy formed partnerships with Forest City Military Communities and Carroll's Creek Landing to provide this service. Forest City Military Communities offers housing throughout Navy Region Northwest. Carroll's Creek Landing provides housing only at Naval Station Everett<sup>52</sup>.

The Director stated that she and her staff members have had some fair housing training. When asked if staff of the housing programs, along with landlords and owners of the properties related to their PPV housing partnerships, had fair housing knowledge the reply was that they talked about fair housing and know about it. The Housing Program Director stated that they have a flier on fair housing. When asked if a copy of the flier regarding fair housing could be obtained, the FHC was told that it had been a brochure and there were no more. The Everett Naval Housing Office would like to be included in any fair housing training events that will be offered in the future.

## **Community-Identified Impediments**

Through the overall survey sample, including interviews, respondents identified the following areas to be true:

- Individuals with disabilities face discrimination on a regular basis
- The community needs more accessible units for persons with disabilities
- Private market landlords do not have enough knowledge and education on fair housing
- There is insufficient outreach and education on housing discrimination issues
- More research is needed on whether housing discrimination takes place
- The community needs more housing discrimination resources
- Discrimination occurs with regards to age and race as well as when Section 8 clients express interest in renting

## **Identification of Areas Where Discrimination Is More Common**

Several survey respondents affirmed areas in and around Everett where discrimination is more common. Though there was a lack of clarification on what kind of discrimination took place, these areas were described as follows:

- "Rural areas in North Snohomish County and more prevalent with private landlords who do not access Property Management Companies."
- "Extreme urban and extreme rural areas of the county where populations are at their lowest and highest."
- "Certain areas within the City limits of Everett."

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<sup>52</sup> <http://www.navylifepnw.com/site/351/NSE-Housing.aspx>

## **Public Input Conclusions**

1. Survey participants rated themselves highly on fair housing knowledge but could not correctly identify the protected classes or referral agencies.
2. Many survey participants noted that they were personally aware of neighborhood opposition to affordable housing, while over 30% marked that building codes or zoning laws impeded fair housing choice.
3. Survey respondents expressed that housing discrimination occurs most often towards individuals who are disabled, and that disabled residents have a frequent need for fair housing assistance, particularly reasonable accommodations.
4. Many of the respondents expressed a need for more fair housing education on housing discrimination issues and stated that there are not sufficient fair housing resources.
5. Individuals and agencies interviewed expressed that they would like to be included in any fair housing training events that will be offered in the future.

## VII. Impediments to Fair Housing Choice in Housing Finance

### **Banking and Lending Regulatory Structure**

Banks are regulated by one of four federal agencies responsible for ensuring compliance with the fair lending provisions of the Fair Housing Act, the Equal Credit Opportunity Act, and the Community Reinvestment Act. The four agencies include:

- Federal Deposit Insurance Corporation (FDIC)
- Office of Comptroller of the Currency (OCC)
- Office of Thrift Supervision (OTS)
- Federal Reserve System (FRB)

These regulators monitor lenders to determine disparity in loans to members of protected classes and suspected violations are referred to HUD for investigation.

### **Community Reinvestment Act**

The Federal Financial Institutions Examination Council (FFIEC) is an interagency body that sets uniform principles, standards and report forms for examination by the FRB, FDIC, OTS, OCC and the National Credit Union Administration (NCUA). The FFIEC also administers the testing and rating process for the Community Reinvestment Act.

The Community Reinvestment Act (CRA) was enacted by Congress in 1977 (12 U.S.C. § 2901) and is implemented by Regulations 12 CFR parts 25, 228, 345 and 563e. The regulation was also revised in 2008. The CRA is designed to evaluate lender commitment to and investment in low and moderate income neighborhoods. Unreasonable banking practices have a disparate impact on people of color because disproportionate numbers of minorities live in low to moderate-income neighborhoods. Banks located within Everett have the following CRA ratings:

#### **Community Reinvestment Act Ratings for Banks with Headquarters in Everett<sup>53</sup>**

<b>AGENCY</b>	<b>EXAM DATE</b>	<b>BANK NAME</b>	<b>CRA RATING</b>	<b>EXAM METHOD</b>
OCC	03/27/1996	American First National Bank	Satisfactory	Not reported
<b>FDIC</b>	<b>09/01/2009</b>	<b>Bank of Everett</b>	<b>Satisfactory</b>	<b>Small Bank</b>
OTS	01/06/1997	Cascade Bank	Outstanding	Assessment Factor
OTS	03/22/1999	Cascade Bank	Outstanding	Large Bank
OTS	07/24/2000	Cascade Bank	Outstanding	Large Bank
FDIC	01/01/2004	Cascade Bank	Satisfactory	Large Bank
<b>FDIC</b>	<b>04/01/2007</b>	<b>Cascade Bank</b>	<b>Satisfactory</b>	<b>Large Bank</b>
<b>FDIC</b>	<b>08/02/2007</b>	<b>Cascade Bank</b>	<b>Outstanding</b>	<b>Large Bank</b>

<sup>53</sup> This chart is a selection of banks located in Everett for which CRA rating information was readily available.

FDIC	10/01/1999	Coastal Community Bank	Satisfactory	Small Bank
FDIC	06/01/2004	Coastal Community Bank	Satisfactory	Small Bank
<b>FDIC</b>	<b>06/22/2009</b>	<b>Coastal Community Bank</b>	<b>Satisfactory</b>	<b>Small Bank</b>
FDIC	05/01/1998	Commercial Bank of Everett	Outstanding	Small Bank
FDIC	05/01/1999	Commercial Bank of Everett	Outstanding	Small Bank
<b>FDIC</b>	<b>08/01/2006</b>	<b>Eagle Bank</b>	<b>Satisfactory</b>	<b>Intermediate Small Institution</b>
<b>FDIC</b>	<b>12/01/2009</b>	<b>Eagle Bank</b>	<b>Satisfactory</b>	<b>Intermediate Small Institution</b>
FDIC	11/01/1990	Everett Mutual Savings	Satisfactory	Not Reported
FDIC	02/01/1994	Everett Mutual Savings	Outstanding	Not Reported
FDIC	06/01/1996	Everett Mutual Savings	Satisfactory	Small Bank
FDIC	05/01/1999	Everett Mutual Bank	Satisfactory	Large Bank
FDIC	09/01/2001	EverTrust Bank	Satisfactory	Not Reported
FDIC	11/01/2003	EverTrust Bank <sup>54</sup>	Satisfactory	Large Bank
FDIC	11/01/1995	Frontier Bank	Satisfactory	Not Reported
FDIC	02/01/1998	Frontier Bank	Satisfactory	Large Bank
FDIC	01/01/2000	Frontier Bank	Outstanding	Large Bank
FDIC	08/01/2002	Frontier Bank	Outstanding	Large Bank
FDIC	02/23/2004	Frontier Bank	Satisfactory	Large Bank
<b>FDIC</b>	<b>10/06/2008</b>	<b>Frontier Bank</b>	<b>Satisfactory</b>	<b>Large Bank</b>
<b>FDIC</b>	<b>07/01/2009</b>	<b>Mountain Pacific Bank</b>	<b>Satisfactory</b>	<b>Small Bank</b>

The above data shows the overall ratings for Everett banks involvement in low and moderate-income communities, but does not identify specific activity within Everett's borders. To gather specific information on banks involvement in Everett with different headquarters requires more detailed research. This information provided gives an overall sense of a bank's CRA rating.

### Community Reinvestment Act Conclusion

1. All of the banks still-headquartered in Everett received satisfactory ratings in their most recent evaluations, and one institution, Cascade Bank, received a rating of outstanding.
2. A more in-depth assessment would be required to identify specific community reinvestment activities in Everett in order to fully evaluate community reinvestment commitments as they pertain to fair housing.

<sup>54</sup> Commercial Bank of Everett and Everett Mutual Bank now are part of EverTrust Bank.

## Home Mortgage Disclosure Act Data

Federal statutes have been established to promote fair lending practices. The Home Mortgage Disclosure Act (HMDA) seeks to prevent lending discrimination by requiring public disclosure of information about mortgage loan applications.

The tables below are comprised solely of HMDA data for the Seattle-Bellevue-Everett Metropolitan Division (MD).<sup>55</sup> It is important to note that there are limitations associated with this data source. HMDA data analysis typically shows that people of color are more likely to be denied mortgage funding than white applicants. This is often interpreted as evidence of racial discrimination in mortgage lending. However, many financial and economic factors are taken into consideration by financial institutions in reaching a loan decision and these are not always adequately represented in HMDA data. For that reason, it is difficult to determine from the data alone whether disparity is due to application of normal lending criteria or is discriminatory in nature. Determination must be made using a variety of information, including public forums, interviews, and complaint data in addition to the information below.

The government reports HMDA data on either Metropolitan Division (MD) or Metropolitan Statistical Area (MSA) basis. For the urbanized areas of Puget Sound, data are available only for the Tacoma MD or the Seattle-Bellevue-Everett MD, so the data herein cover the entire Seattle-Bellevue-Everett MD, including Seattle, Bellevue and Everett. While this analysis may not be specific to Everett-proper, the aggregated data provide greater statistical precision and are sufficiently representative of Everett mortgage data to reveal relevant trends.<sup>56</sup>

It is important to note that government insured loans include FHA, FSA/RHS and VA mortgage products. Generally speaking, government loans provide broader qualification criteria, though conventional mortgages are increasingly tailored to finance otherwise high-risk borrowers historically served by government-insured mortgage products.

This analysis does not consider the following categories utilized by lending institutions to report HMDA data: a) 2 or More Minority Races, b) Joint (White/Minority Race), c) Race Not Available. Although data for these categories may appear in various tables presented herein, the data are not considered for the purposes of this analysis.

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<sup>55</sup> The use of the term “metropolitan division” reflects a change in methodology adopted by the Office of Management and Budget. See <http://www.ffiec.gov/hmda/pdf/04news.pdf>. This analysis reviews data for the Seattle-Bellevue-Everett, WA Metropolitan Division number 42644.

<sup>56</sup> Changes in HMDA requirements have decreased the number of small depository lending institutions required to report HMDA data. According to <http://www.ffiec.gov/hmda/history2.htm>, the asset threshold for depository institutions required to report HMDA data was raised to \$33 million for data collection in 2004, \$34 million for data collection in 2005 and \$35 million for data collection in 2006.

## Changing Mortgage Market

Between 2006 and 2010, the number of home mortgage applications in the Seattle-Bellevue-Everett MD decreased by approximately 81% from 120,277 to 23,380 applications.

<b>Mortgage Type</b>	<b>2006</b>	<b>2009</b>
Conventional	120277	23380
Re-Finance	137706	152940
Home Improvement	16404	5142
Government-Insured	1781	15252
Total	276168	196714

The most interesting change occurred in the distribution of the types of mortgages sought, with the number of conventional mortgage applications decreasing by nearly 81%. The number of home improvement loans also decreased during this time period by 69%. Applications for refinancing and government-insured loans increased during the same period. This trend reflects the foreclosure crisis that began during this period and continues today.

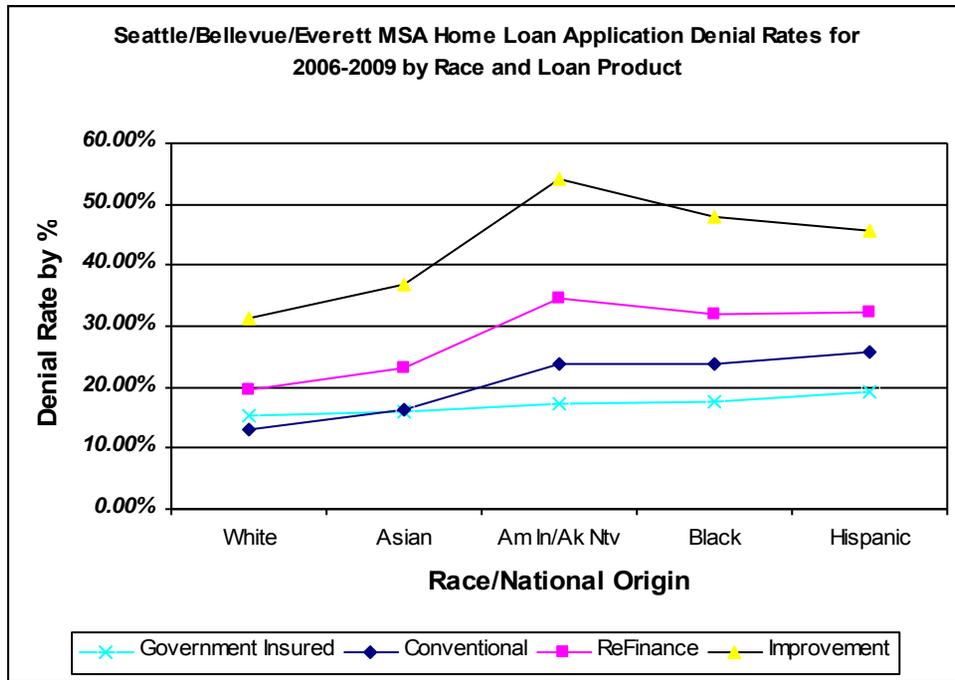
## Mortgage Denial Rates by Race and National Origin

Consistent with HMDA data across the nation, Whites in the Seattle-Bellevue-Everett MD face lower rates of denial than applicants of color, regardless of mortgage product. HMDA data for Seattle indicate that a higher percentage of applicants for home improvement loans are more likely to face denial than applicants for loan originations and re-financings.

### Seattle-Bellevue-Everett MD Disposition of Applications for Conventional Home Purchase Loans by Race, National Origin and Income of Applicants, 2006-2009

Race/National Origin	Conven- tional	Re- Finance	Impr- ovement	Gvt - Insured
White	13.14%	19.72%	31.32%	15.31%
Asian	16.18%	23.19%	36.99%	15.97%
American Indian/Alaskan Native (Am In/Al Ntv)	23.64%	34.71%	54.06%	17.14%
Black or African American (Black/Af Am)	23.93%	31.94%	47.92%	17.50%
Hispanic or Latino (Hispanic)	25.83%	32.22%	45.54%	19.23%
Average	20.54%	28.36%	43.17%	17.03%

## 2006-2009 Mortgage Denial Rates by Race, National Origin and Loan Type



Source: FFIEC

Overall, HMDA data for the Seattle-Bellevue-Everett MD shows a higher denial rate for people of color than for Whites in applying for all types of mortgages, including conventional loans, refinance loans, government-insured and home improvement loans. The denial rates for home improvement loans are high for all applicants. Overall, Hispanic applicants have the highest denial rates for all loan types during this time period, with the exception of African American denial rates for home improvement loans.

### Conventional Home Mortgages

Conventional mortgages generally require lower debt-to-income ratios and higher down payments than government insured loans. Conventional mortgages often have better terms and lower rates than government insured loans, especially because they generally require a minimum down payment of 10% of the home value.

### Seattle-Bellevue-Everett MD Disposition of Applications for Conventional Home Purchase Loans by Race, National Origin and Income of Applicants, 2006-2009

Race and National Origin	Apps received	% of All Applications	Loans originated	% of Loans Originated	% Approved but not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed as Incomplete
American Indian/Alaskan Native	884	0.33%	506	57.24%	10.75%	23.64%	6.11%	2.26%
Asian	39526	14.82%	25110	63.53%	11.38%	16.18%	7.51%	1.41%
Black or African-American	6982	2.62%	3722	53.31%	10.70%	23.93%	9.98%	2.08%
Native Hawaiian/Other Pacific Islander	2797	1.05%	1607	57.45%	11.33%	21.09%	7.97%	2.15%
White	170168	63.81%	117938	69.31%	9.00%	13.14%	7.12%	1.44%
2 or More Minority Races	298	0.11%	183	61.41%	13.09%	15.77%	6.04%	3.69%
Joint (white/minority)	7250	2.72%	5264	72.61%	9.17%	10.86%	5.89%	1.48%
Race not available	38785	14.54%	24597	63.42%	9.78%	13.88%	11.35%	1.56%
<b>Total Applications</b>	<b>266690</b>		<b>178927</b>	<b>67.09%</b>	<b>9.55%</b>	<b>14.04%</b>	<b>7.84%</b>	<b>1.48%</b>
Hispanic or Latino <sup>57</sup>	13618	1.79%	7297	53.58%	10.03%	25.83%	8.47%	2.09%
Joint Hispanic/Non-Hispanic	3262	0.43%	2345	71.89%	8.31%	12.32%	5.92%	1.56%

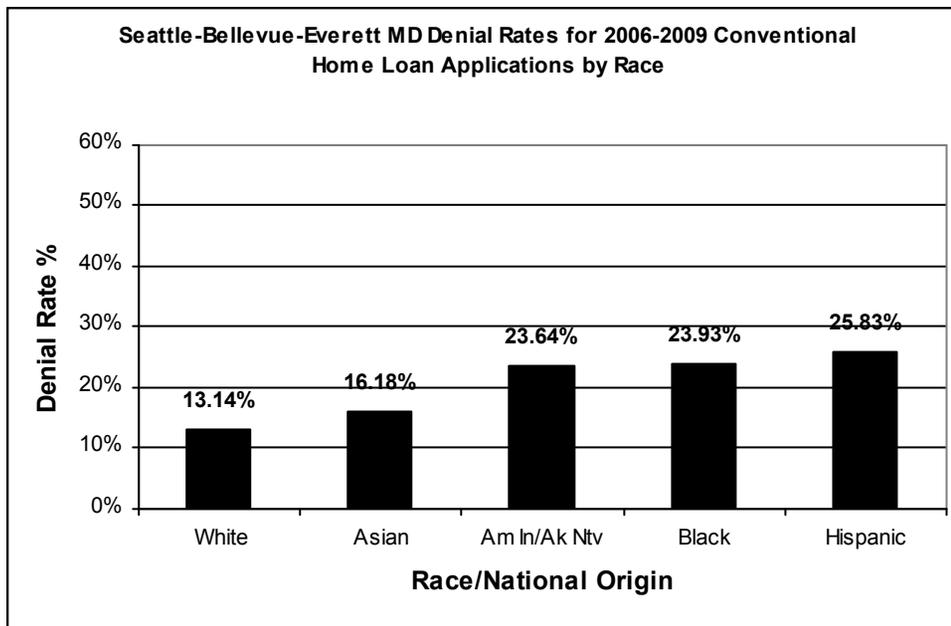
Income	Apps received	% of All Applications	Loans originated	% of Loans Originated	% Approved but not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed as Incomplete
50-79%	37298	13.99%	24617	66.00%	8.87%	15.80%	7.81%	1.52%
80-99%	34929	13.10%	23349	66.85%	9.14%	15.09%	7.50%	1.43%
100-119%	35205	13.20%	23870	67.80%	9.69%	13.47%	7.62%	1.41%
120%	140037	52.51%	95563	68.24%	9.88%	12.89%	7.53%	1.46%
Income not available	10166	3.81%	6250	61.48%	9.74%	13.48%	13.23%	2.08%

Source: FFIEC

Because conventional loans are not government-insured and generally utilize stricter underwriting guidelines, nearly 53% of applicants for conventional loans have incomes greater than or equal to 120% of area median income. In contrast, over 139.37% of applicants for government insured mortgages have incomes between 50% and 79% of area median income. These trends have changed since the last HMDA data was analyzed in 2005 for the Seattle-Bellevue-Everett MD.

<sup>57</sup> Hispanic or Latino is not considered a race by the U.S. Census Bureau and is reported separately for the purposes of HMDA.

**2006-2010 Denial Rates by Race/National Origin for Conventional Home Purchase Loans**



Source: FFIEC

Conventional mortgage loan rates of denial are higher for members of minority groups. The conventional mortgage denial rate for Hispanics is higher than the denial rates for White applicants but much higher than the conventional denial rates for Native Americans and African-Americans. Compared to 2004, the rate of denial for Hispanics applicants (17.49% in 2004) increased by 43%. In comparison, for White applicants (10.21% in 2004), denial rates for conventional mortgages increased by less than 29%.

African-Americans and Native Americans face nearly equal denial rates for conventional mortgages, followed closely by Hispanics. Although Hispanic denial rates closely trail the denial rates for African-Americans and Native Americans, in 2004 African Americans had the highest conventional mortgage loan denial rate at 18.89%. Though conventional mortgage applications from Hispanics significantly decreased between 2004 and 2009, from 3.91% in 2004 to 1.91% of all applications between 2006-2009, the rate at which Hispanic applications were denied increased by nearly 43 percentage points during the same period.

In contrast, while applications from African-Americans dropped slightly from 2.85% of all conventional mortgage applications in 2004 to 2.62% between 2006 and 2009, the rate of denial for African-Americans seeking conventional mortgages increased from 18.89% in 2004 to 23.93% in 2009, a change of 26%.

Native American/Alaskan Natives saw a similar increase in denial rates for conventional mortgages between 2004 and 2006-2009 as African Americans, increasing from 18.80% to 23.64%. No immediate explanation can be identified for this increase for these two groups.

Previously, there was a drop in home mortgage interest rates between 2001 and 2004, which increased homeownership rates across the nation and opened doors for many first time home buyers. A record 97,582 applications for conventional mortgages were submitted in 2004, which at the time was an increase of nearly 57%. In stark contrast to this is the number of applications submitted between 2006 and 2009, which show a decrease of 81%.

While the number of conventional mortgage applications from all groups declined between 2006 and 2009, the percentage of applications for conventional mortgages from white applicants dropped slightly from 66.63% in 2004 to 63.81% during this time period. Though the proportion of conventional loans originated for Caucasian applicants remained virtually unchanged between 2004 and 2006-2009, with Caucasian applicants representing 69.31% of conventional mortgage originations in 2006 to 2009 versus 74.1% in 2004, the slight decrease in Caucasian applicants in comparison to the significant decreases in minority applicants may reflect underlying marketing practices that disproportionately focused on potential Caucasian home buyers who received prime loans in comparison to sub-prime loans received by minority homebuyers during this time period.

### Home Mortgage Re-Financing

While mortgage lenders in the Seattle-Bellevue-Everett MD processed over 157,696 applications for mortgage re-financing in 2004, the number of applications for refinancing increased from 137,706 to 152,940 from 2006 to 2009. The increase in mortgage re-financing volume likely reflects the 81% decrease in conventional home mortgage applications during this time period.

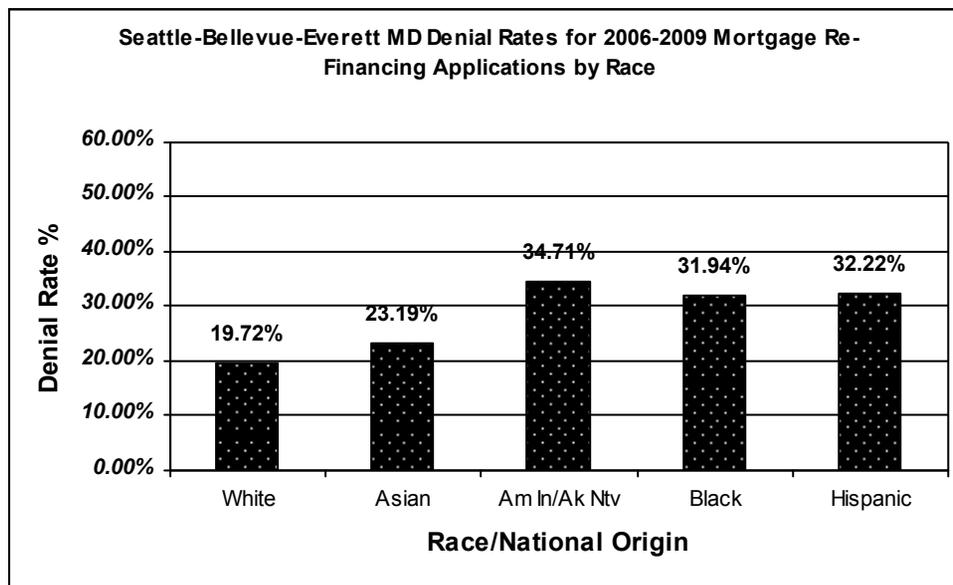
### Seattle-Bellevue-Everett MD Disposition of Applications for Home Refinance Loans by Race, National Origin and Income of Applicants, 2004

Race and National Origin	Apps received	% of All Applications	Loans originated	% of Loans Originated	% Approved but not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed as Incomplete
American Indian/Alaskan Native	2558	0.50%	958	37.45%	7.70%	34.71%	16.03%	4.10%
Asian	44406	8.61%	23200	52.25%	10.12%	23.19%	11.60%	2.84%
Black or African-American	16898	3.28%	6533	38.66%	8.57%	31.94%	17.45%	3.37%
Native Hawaiian/Other Pacific Islander	5347	1.04%	1749	32.71%	8.79%	27.51%	11.48%	2.97%
White	335800	65.08%	194669	57.97%	7.84%	19.72%	11.61%	2.86%
2 or More Minority Races	673	0.13%	282	41.90%	3.86%	35.51%	15.16%	3.57%
Joint (white/minority)	16608	3.22%	7648	46.05%	6.50%	15.56%	8.91%	1.93%
Race not available	93670	18.15%	44219	47.21%	8.05%	21.84%	18.35%	4.55%
<b>Total Applications</b>	<b>515960</b>		<b>279258</b>	<b>54.12%</b>	<b>8.06%</b>	<b>20.84%</b>	<b>12.96%</b>	<b>3.16%</b>
Hispanic or Latino	17172	1.85%	6911	40.25%	9.45%	32.22%	14.06%	4.03%
Joint Hispanic/Non-Hispanic	6498	0.70%	3615	55.63%	8.25%	20.81%	12.57%	2.74%

Income	Apps received	% of All Applications	Loans originated	% of Loans Originated	% Approved but not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed as Incomplete
Less than 50% of Median	27337	5.30%	11115	40.66%	5.75%	33.87%	15.90	3.49%
50-79%	86510	16.77%	43871	50.71%	8.03%	24.56%	13.54%	3.15%
80-99%	76966	14.92%	41056	53.34%	8.35%	21.91%	13.30%	3.09%
100-119%	70376	13.64%	39148	55.63%	8.62%	20.21%	12.63%	2.91%
120%	221915	43.01%	128482	57.90%	8.44%	18.60%	12.06%	3.01%
Income not available	24033	4.66%	13464	56.02%	6.76%	13.55%	18.07%	5.39%

Source: FFIEC

### 2006-2009 Denial Rates by Race/National Origin for Home Refinance Loans



Source: FFIEC

The rate of denial for mortgage re-financings is higher than that for conventional home loans. While the conventional mortgage denial rate for Caucasians is 13.14%, the denial rate for Caucasian re-financing applicants is 19.72%. This trend extends across all racial and national origin categories.

Compared to 2004, denial rates for mortgage refinancing increased for all groups across the board, by 5% or more.<sup>58</sup> Between 2005 and 2009, the rate of refinancing denials for Caucasians increased from 17.63% to 19.72%, from 31.19% to 34.71% for American Indians/Alaskan Natives, from 29.54% to 31.94% for African Americans and from 25.44% to 32.22% for Hispanics. The jump in denial rates occurred in conjunction with an increase in the size of the mortgage re-financing market in the current foreclosure crisis. With interest rates low for so long, many of the most highly qualified

<sup>58</sup> The refinancing denial rate for Asian actually increased by just less than 5%, from 14.58% to 19.39%. Note further that the Native Hawaiian/Other Pacific Islander category was not utilized in 2001.

borrowers likely sought re-financing before 2004, and again after 2006. Moreover, because re-financing affects the loan-to-value ratio, a key measure of risk, the increase in denial rates for re-financing loans may reflect the increased risks associated with popular cash-out refinancing options which have been driving the mortgage re-finance market.

### **The Sub-Prime Refinancing Market**

As the home mortgage financing market previously grew in response to historically low interest rates, lenders developed new products to serve borrowers considered a higher risk for default. The emergence of sub-prime lending increased financing opportunities for higher-risk borrowers, albeit through higher cost loan products. In a recent study released by the Center for Responsible Lending<sup>59</sup>, 'the latest HMDA report shows that access to sustainable mortgages to purchase homes has been severely curtailed. In fact, the overall increase in mortgages during 2009 was driven by refinances. However, this refinance activity was largely absent in census tracts with high foreclosure activity. So even with historically low interest rates, mortgages were scarce for borrowers of color who were struggling with their loan and also for those hoping to buy their first home.' The HMDA refinance data for the Seattle-Bellevue-Everett MD shows this trend as well. The report points out that Hispanics and African-Americans received a disproportionate share of subprime mortgages despite taking into account certain risk factors such as income and credit scores.

### **Home Improvement Mortgage Loans**

Home improvement loans generally entail lenders providing a second mortgage to applicant homeowners. Because home improvement loans are a function of home equity, they are considered higher risk and the higher interest rates – and denial rates – for home improvement loans reflect this higher risk. Indeed, all groups experience a home improvement denial rate ranging from just-under 30% to nearly 50%. While nearly 30% of Caucasian applicants are denied home improvement loans, nearly half of American Indian/Native Alaskan and Hispanic applicants for home improvement loans are denied. Denial rates for all groups are significantly higher for home improvement loans than other mortgage products.

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<sup>59</sup> Center for Responsible Lending- 'A National Tragedy: HMDA Data Highlight Homeownership Setbacks for African Americans and Latinos', September 24, 2010 <http://www.responsiblelending.org/mortgage-lending/research-analysis/national-tragedy-hmda-data.html>

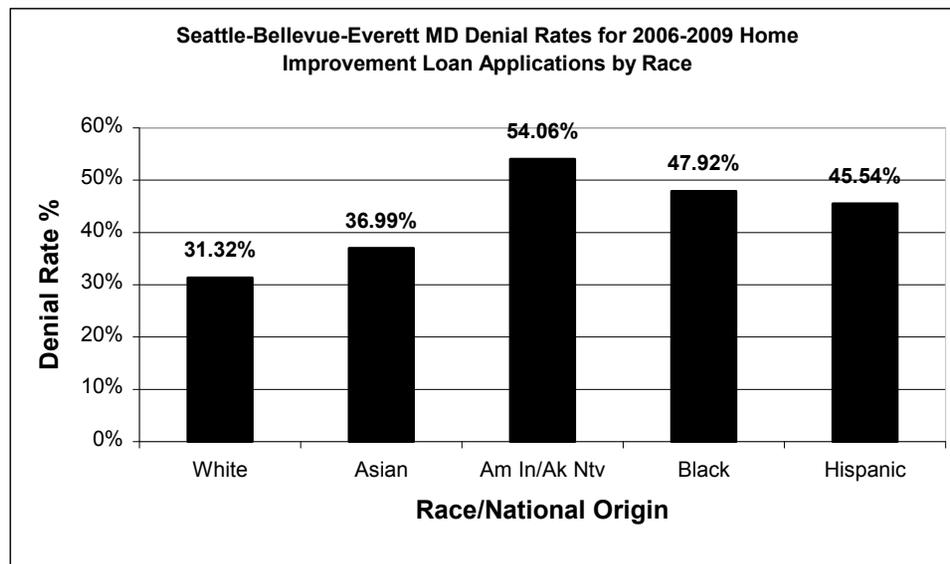
## Seattle-Bellevue-Everett MD Disposition of Applications for Home Improvement Loans, Loans by Race, National Origin and Income of Applicants, 2006-2009

Race and National Origin	Apps received	% of All Applications	Loans originated	% of Loans Originated	% App not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed Incomplete
American Indian/Alaskan Native	505	1.09%	125	24.75%	5.94%	54.06%	13.86%	1.39%
Asian	3414	7.38%	1264	37.02%	9.14%	36.99%	12.48%	4.36%
Black or African-American	2068	4.47%	617	29.84%	8.41%	47.92%	11.85%	1.98%
Native Hawaiian/Other Pac Islander	617	1.33%	189	30.63%	8.10%	47.97%	11.99%	1.30%
White	31202	67.42%	14480	46.41%	8.35%	31.32%	11.05%	2.87%
2 or More Minority Races	119	0.26%	37	31.09%	7.56%	40.34%	16.81%	4.20%
Joint (white/minority)	1511	3.26%	659	43.61%	6.09%	34.55%	12.64%	3.11%
Race not available	6846	14.79%	2858	41.75%	11.36%	31.70%	11.70%	3.49%
<b>Total Applications</b>	<b>46282</b>		<b>20229</b>	<b>43.71%</b>	<b>8.75%</b>	<b>33.14%</b>	<b>11.40%</b>	<b>3.01%</b>
Hispanic	1860	1.41%	552	29.68%	8.76%	45.54%	12.53%	3.49%
Joint Hispanic/Non-Hispanic	775	0.59%	346	44.65%	7.10%	31.74%	13.16%	3.35%

Income	Apps received	% of All Applications	Loans originated	% of Loans Originated	% App not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed Incomplete
Less than 50% of Median	3353	7.24%	1023	30.51%	7.72%	49.84%	9.48%	2.45%
50-79%	9177	19.83%	3540	38.57%	7.71%	39.34%	11.59%	2.78%
80-99%	7323	15.82%	3196	43.64%	18.20%	33.92%	11.38%	2.55%
100-119%	6604	14.27%	2935	44.44%	8.72%	32.01%	11.98%	2.85%
120%	19151	41.38%	9217	48.13%	9.57%	27.43%	11.45%	3.43%
Income not available	674	1.46%	318	47.18%	7.72%	30.42%	11.13%	3.56%

Source: FFIEC

### 2006-2009 Home Improvement Loan Denial Rates by Race/National Origin



Source: FFIEC

## Government-Insured Loans

Because of the severe tightening of mortgage capital among the Government Sponsored Enterprises (GSEs) and private lenders in light of the foreclosure crisis, over half of the home loans made in 2008 and 2009 were supported by government agencies, such as the FHA and VA<sup>60</sup>. Applicants for government-insured loans are less likely to be denied than applicants for other types of home loans, particularly conventional loan products. Through various programs administered by the U.S. Department of Housing and Urban Development and Veterans Administration, lower income households, veterans and rural residents may be eligible for government-insured mortgages that provide for lower down payments and alternative qualification criteria.

### Seattle-Bellevue-Everett MD Disposition of Applications for Government-Insured Home Loans, By Race, National Origin and Income of Applicant, 2006-2009

Race and National Origin	Apps received	% of All Applications	Loans originated	% of Loans Originated	% Approved but not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed as Incomplete
American Indian/Alaskan Native	175	0.76%	119	68.00%	4.00%	17.14%	9.71%	1.14%
Asian	1803	7.80%	1143	63.39%	5.55%	15.97%	13.59%	1.50%
Black or African-American	1023	4.43%	663	64.81%	6.06%	17.50%	9.87%	1.76%
Native Hawaiian/Other Pacific Islander	344	1.49%	234	68.02%	4.65%	16.28%	9.88%	1.16%
White	15223	65.87%	14299	93.93%	6.58%	15.31%	11.88%	1.75%
2 or More Minority Races	46	0.20%	30	65.22%	4.35%	23.91%	4.35%	2.17%
Joint (white/minority)	1070	4.63%	793	74.11%	5.33%	12.52%	7.38%	0.65%
Race not available	3426	14.82%	2307	67.34%	5.20%	11.56%	14.45%	1.46%
<b>Total Applications</b>	<b>23110</b>		<b>19588</b>	<b>84.76%</b>	<b>6.16%</b>	<b>14.82%</b>	<b>12.03%</b>	<b>1.63%</b>
Hispanic	1092	1.46%	670	61.36%	6.59%	19.23%	10.81%	2.01%
Joint Hispanic/Non-Hispanic	628	0.84%	451	71.82%	5.25%	13.69%	8.60%	0.96%

Income	Apps received	% of All Applications	Loans originated	% of Loans Originated	% Approved but not Accepted	% of Apps Denied	% of Apps Withdrawn	% Closed as Incomplete
Less than 50% of Median	1784	7.72%	963	53.98%	5.16%	23.43%	14.85%	2.58%
50-79%	8330	36.05%	5754	69.08%	5.09%	13.65%	10.72%	1.46%
80-99%	5874	25.42%	4253	72.40%	5.43%	11.54%	9.40%	1.23%
100-119%	4385	18.97%	3259	74.32%	5.34%	10.79%	8.62%	0.94%
120%	6939	30.03%	5238	75.49%	4.90%	9.48%	8.94%	1.11%
Income not available	281	1.22%	121	43.06%	4.98%	21.71%	25.98%	4.27%

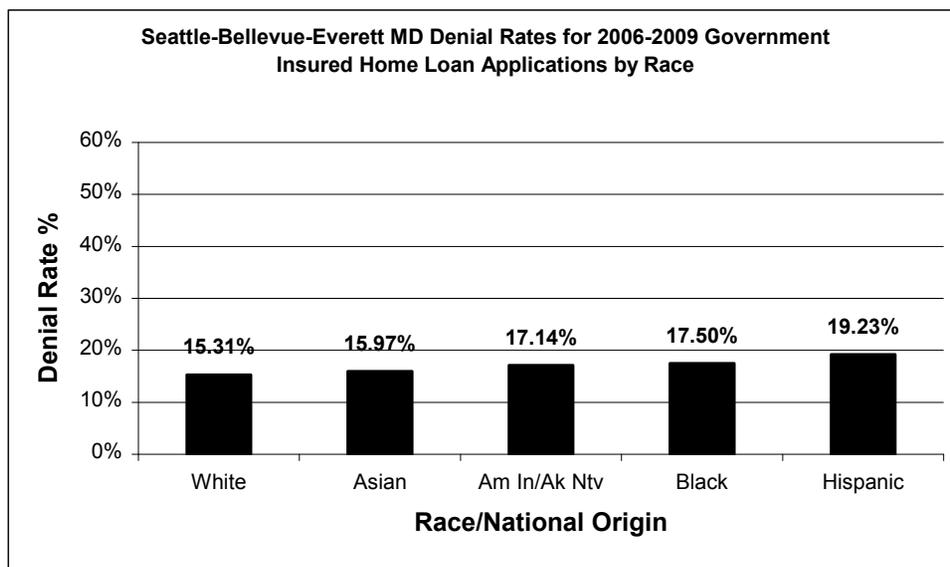
Source: FFIEC

<sup>60</sup> National Association of Realtors- Federally-Insured Loans Increase Dramatically, November 2, 2010, <http://www.realtown.com/NARResearch/blog/loansdecrease>

Nationally, homebuyers increasingly relied on government insured loans in 2008 and 2009, a trend no doubt caused by housing and credit problems. Conventional loans declined to 52% nationally, while insured loans climbed to 48% up from 8% in 2006. The increase in the size of the government-insured mortgage market reflects a number of trends, including the subprime mortgage fall out, as well as the subsequent decline in property values throughout the Puget Sound region.

The current HMDA data shows that nearly 36.05% of applicants for government-insured mortgages have a median income between 50% and 79%. Nearly 70% of all such applicants have median incomes less than 100% of area median incomes. Approval rates for all groups exceed 50%.

*2006-2009 Denial Rates by Race for Government-Insured Home Loans*



Source: FFIEC

The best measure of the private market’s success in competing for higher-risk borrowers served nearly exclusively by government-insured mortgages is the nearly identical rate of denial for conventional and government-insured mortgage applicants. While minority borrowers have historically been less likely to be denied government-insured versus conventional mortgage financing, the nearly identical in 2004 denial rates for government-insured loans with conventional loans is an important and compelling trend worthy of continued monitoring.

**Housing Finance Impediments Summary**

1. A record 97,582 applications for conventional mortgages were submitted in 2004, which at the time was an increase of nearly 57%. In stark contrast to this is the number of applications submitted during 2006-2009 showing a decrease of 81% for applications submitted.

2. Similar to HMDA trends across the country, Caucasian applicants for home mortgages have the lowest denial rates, regardless of mortgage product. Asians have the lowest denial rates among non-Caucasians.
3. Conventional mortgage loan rates of denial are higher for members of minority groups. The conventional mortgage denial rate for Hispanics is higher than the denial rates for Caucasian applicants but much higher than the conventional denial rates for Native Americans and African-Americans.
4. The distribution of the types of mortgages sought, with the number of conventional mortgage applications, decreased by nearly 81%. The number of home improvement loans also decreased during this time period by 67%. Applications for refinancing and government-insured loans significantly increased during the same period.
5. HMDA data for Seattle-Bellevue-Everett MD indicate that a higher percentage of applicants for home improvement loans are more likely to face denial than applicants for loan originations and re-financings.

## **VIII. Impediments to Housing Choice in Public & Administrative Policies and Process**

A review of policies relating to fair housing laws has been designed to evaluate a jurisdiction's commitment to furthering fair housing. Policies can have a disparate impact on people of color, persons with disabilities and families with children who disproportionately reside in low to moderate income neighborhoods. Since the City of Everett designs policies based on documents which address the city's low and moderate income areas, it is important to ascertain their impact on the protected classes.

### **Legal Cases**

Examples of policies which have impacted cities in the State of Washington include the following:

#### **Nevels et al v. Western World**

In 2006, the Fair Housing Center of Washington (joined by the Fair Housing Council of Oregon and individual complainants) settled a class action lawsuit involving alleged discrimination on the basis of disability involving group homes and homeowners insurance. The settlement in *Nevels v. Western World Insurance Company* provided \$2.0 million in monetary relief. The lawsuit alleged that the company's practice of terminating and refusing to renew insurance coverage for adult family homes serving people with mental illnesses, including 166 adult family homes in Washington, violated the federal Fair Housing Act.

#### **US ex rel Antidiscrimination Center of Metro New York, Inc v. Westchester County, New York**

Every year, Westchester County received millions of dollars in Community Development Block Grant (CDBG) and other federal housing funds. The only way that Westchester, or any other jurisdiction, is entitled to those funds is by certifying that the county has and will "affirmatively further fair housing" ("AFFH"). Westchester, for many years, represented to the federal government that it had and would analyze, identify, and act to overcome impediments to fair housing choice. The Anti-Discrimination Center ("ADC") believed that Westchester was falsifying their claims of furthering fair housing and that the County had no intention of complying with its AFFH obligations. In particular, ADC believed that Westchester ignored impediments to fair housing choice that were related to race and resisted affordable housing development. The aversion to dealing with issues of race was particularly egregious in view of the fact that Westchester remains staggeringly residentially segregated on the basis of race. Too, Westchester's own Housing Opportunity Commission has long reported, municipal resistance is a central obstacle to the creation of affordable housing units.

In 2006, ADC sued Westchester under the federal False Claims Act. The False Claims Act is unusual in that it permits private actors, including not-for-profit entities like ADC,

to bring suit on behalf of the federal government against government contractors that have obtained government funds fraudulently. In the course of intensive litigation Westchester continued to insist that the County was not segregated, that the County had no power to influence municipal zoning, and that a focus on “affordable housing” was an adequate substitute for a focus on “fair housing.” The Court found that Westchester had “utterly failed” to meet its AFFH obligations throughout the period from 2000 to 2006 (the “False Claims period”). Too, the Court ruled that every single representation that Westchester had made during the False Claims period to the federal government that it had or would meet those obligations was “false or fraudulent.” The Court also found both that the AFFH regulation “requires an analysis of impediments to fair housing choice, not to affordable housing,” and she found that the County had long known this to be true.

### **U.S. Government Accountability Office**

In September of 2010, the U.S. Government Accountability Office (GAO) issued a report assessing the conformance of CDBG and HOME grantees AIs' with HUD guidance pertaining to AI timeliness, content and potential usefulness as planning tools. The GAO report also analyzed HUD's requirements and oversight to provide context to explain any AI weaknesses<sup>61</sup>. One of the significant findings of the GAO report was that “the vast majority of these 60 (most recent) AIs did not include time frames for implementing their recommendations or the signatures of top elected officials, as HUD guidance recommends.”

### **Washington State Human Rights Commission (WSHRC) v. Elwood Properties, LLC**

In 2008, the WSHRC obtained a \$38,000 settlement with the Respondent based on allegations that the housing provider discriminated against Hispanic tenants by failing to make repairs to their units. While repairs are generally a matter of landlord-tenant law, the WSHRC's investigation revealed evidence indicating that the housing provider failed to make repairs at the subject property whose residents were all Latino but made prompt repairs at a different property whose residents were predominantly not Hispanic. Different repair practices among a housing provider's portfolio constitute housing discrimination if they are based on the national origin or other protected class of the residents. To the extent a municipality enforces building and zoning codes, code enforcement staff may benefit from receiving fair housing training to identify the potential fair housing implications of building and zoning code violations.

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<sup>61</sup> Housing and Community Grants: HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans, GAO-10-905, issued September 14, 2010.

## **IX. Impediments to Housing Choice Created by Public Policies**

Public policies and practices can impede or further equal housing opportunity in a community. As much as the passage of fair housing ordinances might reflect a governmental commitment to non-discrimination, actual practices with respect to the formulation of zoning regulations, code enforcement and the prioritization of land use are essential elements in determining a jurisdiction's commitment to affirmatively furthering fair housing.

### **Legal Cases**

The following fair housing cases are presented to demonstrate the importance of proactively incorporating fair housing practices into governmental policy decisions.

#### **1. McGary v. City of Portland**

The Plaintiff in this case was a low-income homeowner hospitalized with complications from AIDS. The City of Portland posted a warning for him to clean debris from his yard as a code enforcement matter. An advocate for the Plaintiff contacted the City to request more time as a reasonable accommodation for the homeowner's disability. The City stated that they don't make accommodations in their nuisance abatement programs and the district court ruled in favor of the City after the Plaintiff sued under the Fair Housing Act and the ADA. The Ninth Circuit reversed the district court ruling and held that the Plaintiff had adequately pled claims under both the Fair Housing Act and Title II of the ADA.<sup>62</sup>

#### **2. City of Edmonds v. Oxford House<sup>63</sup>**

In 1990, the City of Edmonds, Washington cited an Oxford House group home for recovering alcoholics and drug addicts for violating the City's zoning ordinance which defined "family" as not more than 5 unrelated persons. Without challenging the underlying ordinance, Oxford House requested a reasonable accommodation to allow up to 12 unrelated residents. Although the requested accommodation was essential to ensuring the group home's financial viability, the City denied the request and amended its zoning code to allow such facilities in multifamily and commercial zones and to prohibit them in single-family residential zones. The United States Supreme Court affirmed the Ninth Circuit's judgment holding that Edmonds' definition of family was invalid and unenforceable.<sup>64</sup> This case firmly established that municipalities must

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<sup>62</sup> From handout prepared by Ed Johnson, State Support Unit Attorney, Oregon Law Center at the *Fair Housing Law and Practice Conference* at Seattle University, Seattle, WA, March 15-16, 2007. *McGary v. Portland*, 286 F.3d 1259 (9<sup>th</sup> Cir. 2004).

<sup>63</sup> Source: John Purbaugh, Attorney, Northwest Justice Project, Tacoma, WA; used with permission; original material from *Fair Housing Law and Practice Conference* at Seattle University, Seattle, WA, March 15-16, 2007.

<sup>64</sup> *City of Edmonds v. Oxford House*, 514 US 725, 115 S. Ct. 1776, 131 L.Ed.2d 801 (1995).

consider granting exceptions to such requirements as a reasonable accommodation under the Fair Housing Act.

### **3.Sunderland Family Treatment Services v. City of Pasco<sup>65</sup>**

Sunderland Family Treatment Services applied for a supplemental use permit (SUP) to operate a state-licensed group home serving mentally ill youth in a facility with at least 3 staff on premises. The City of Pasco, WA denied Sutherland's SUP application on the grounds that it was not a subordinate use as required for the conduct of a home occupation in a residential zone. On appeal, the Court concluded that Pasco violated the Washington Housing Policy Act (WHPA)<sup>66</sup> by defining "family" in a way which imposed additional burdens on residential care facilities for the handicapped by allowing a family to immediately occupy a residential structure but requiring a group home facility to obtain a SUP before occupying a similar structure."<sup>67</sup> It is essential that municipal actions, such as defining "family," fully consider the various classes and avoid differential land use requirements that violate the fair housing laws.

### **4.Children's Alliance v. City of Bellevue<sup>68</sup>**

In 1994 Bellevue adopted an ordinance prohibiting group housing for children in residential areas. This ordinance was invalidated by the Central Puget Sound Growth Management Hearings Board because it treated such facilities differently than other similar residential facilities in violation of Washington's Growth Management Act (GMA).<sup>69</sup> Bellevue's replacement ordinance removed the outright ban on group homes for children in residential areas but replaced it with a scheme which distinguished group facilities from families based on the presence of staff providing care and assistance to residents. This imposed occupancy limits, and mandated a 1000' separation between group facilities of the same type. While this ordinance was found to comply with the GMA,<sup>70</sup> the United States District Court<sup>71</sup> in 1997 determined that it was discriminatory on its face and declared invalid under the Fair Housing Act (FHA) and Washington Law Against Discrimination (WLAD).<sup>72</sup> Although the ordinance included reasonable accommodation provisions, the Court concluded that its focus on housing, in which staff provided services to residents, essentially targeted disabled persons in violation of the fair housing laws.

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<sup>65</sup> Source: John Purbaugh, Attorney, Northwest Justice Project, Tacoma, WA; used with permission; original material from *Fair Housing Law and Practice Conference* at Seattle University, Seattle, WA, March 15-16, 2007.

<sup>66</sup> RCW 35A.63.240. "No city may enact...an ordinance...which treats a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family..."

<sup>67</sup> *Sunderland Family Treatment Services v. City of Pasco*, 107 Wn.App. 109 (2001)(*Sunderland II*).

<sup>68</sup> Source: John Purbaugh, Attorney, Northwest Justice Project, Tacoma, WA; used with permission; original material from *Fair Housing Law and Practice Conference* at Seattle University, Seattle, WA, March 15-16, 2007.

<sup>69</sup> [http://www.gmhb.wa.gov/central/decisions/1995/95-3-0011\\_children'salliance\\_finaldecisionandorder.htm](http://www.gmhb.wa.gov/central/decisions/1995/95-3-0011_children'salliance_finaldecisionandorder.htm) The GMA prohibition contains the same language as the WHPA prohibition in n. 3, supra.

<sup>70</sup> [http://www.gmhb.wa.gov/central/decisions/1996/96-3-0023\\_children's\\_finaldecisionandorder.htm](http://www.gmhb.wa.gov/central/decisions/1996/96-3-0023_children's_finaldecisionandorder.htm)

<sup>71</sup> *Children's Alliance et al v. City of Bellevue*, 950 F.Supp. 1491 (W.D. Wash. 1997).

<sup>72</sup> RCW 49.60.010 et seq.

## **5.Low Income Housing Institute et al. v. City of Lakewood<sup>73</sup>**

In the summer of 2000 the City of Lakewood began work to develop a theme park in a low-income neighborhood with high minority density. The Low Income Housing Institute, two residents and a non-profit agency challenged the City's plan because it re-designated two low-income residential neighborhoods for industrial purposes. It also failed to demonstrate how the City of Lakewood would meet their responsibility to ensure affordable housing and mitigate the loss of 800+ existing affordable housing units. On September 9, 2003 Division II of the Court of Appeals issued an opinion in *Low Income Housing Institute v. City of Lakewood*, reversing a decision of the Central Puget Sound Growth Management Hearings Board which upheld the City's Comprehensive Land Use Plan against challenges based on affordable housing provisions of the Growth Management Act (GMA). The Court of Appeals concluded that the Board had failed to decide the housing requirements. The Court also held that the Board erred as a matter of law when it evaluated Lakewood's consistency with Pierce County's standards by only reviewing whether the City had adequately identified its affordable housing needs without also evaluating whether the City had complied with the County's requirement that it actually addressed the need for such housing. The case was remanded to the GMA for further proceedings.<sup>74</sup> On remand the city settled by restoring some of the low income neighborhoods to high density residential use, adopting an incentive-based inclusionary zoning scheme, and allocating additional CDBG funds to low income housing preservation programs. This case reflects that municipal actions impacting the supply of affordable housing can have fair housing implications.

## **Everett Policies**

### **Local Fair Housing Ordinance**

Twenty one cities and counties in the State of Washington have passed fair housing, ordinances to embrace fair housing laws<sup>75</sup>. Many of these jurisdictions add additional protected classes, such as age and sexual orientation, based upon data showing patterns of discrimination against these individuals.

Title 9 of Everett's Municipal Code contains some fair housing protections, including the following protected classes: race, color, religion, ancestry or national origin. While violations of Everett's municipal code may result in fines of up to \$500 or 6-months imprisonment or both, the currently enumerated protections lack the equivalency necessary to qualify Everett to participate in HUD's FHAP program described in Section 2. If the City were to consider adding additional protections to what is covered in the state and federal laws, a local fair housing ordinance could be adopted. This ordinance

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<sup>73</sup> Source: John Purbaugh, Attorney, Northwest Justice Project, Tacoma, WA; used with permission; original material from *Fair Housing Law and Practice Conference* at Seattle University, Seattle, WA, March 15-16, 2007.

<sup>74</sup> *Low Income Housing Institute et al v. City of Lakewood*, 119 Wash.App. 110 (2003)(*LIHI*).

<sup>75</sup> Appendix A

would need to include enforcement mechanisms for investigating and resolving complaints at the local level.

## **Zoning and Land Use Policies**

In crafting and implementing locally defined land use priorities, it is essential to consider fair housing protections as a component of a local government's land use determinations. Guidance issued by the U.S. Department of Justice encourages local governments "to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community."<sup>76</sup>

Review of City of Everett zoning, neighborhood revitalization, property tax, building code and construction policies indicate Everett's public policies do not impede fair housing choice. The City of Everett updates its Comprehensive Plan each year to address the needs of the community. Some of the changes address the problem of affordable housing. Examples include the change made in 1994 allowing for accessory dwelling units in any single family owner occupied residence in the city, and increasing density allowances throughout the City's residential zones. Everett updated its Short Subdivision and Subdivision Ordinances with an eye toward creating more affordable housing within the city. In 1998, City Council approved a major modification to the City's Multiple Family Housing Standards which is intended to result in an increase in production of high quality, affordable housing in Everett.<sup>77</sup> In reviewing the City of Everett's Code Enforcement Program, it does not appear to include a policy relating to reasonable accommodations. The City of Tacoma recently strengthened their code enforcement to include a three step reasonable accommodation policy, staff training, and new forms.<sup>78</sup>

Everett has completed a Comprehensive Plan under the Growth Management Act. The housing goal of the Comprehensive Plan is to "provide sufficient housing opportunities to meet the needs of the present and future residents of Everett for housing that is decent, safe, accessible and affordable."

Everett's zoning code promotes housing accessibility by taking the following steps:

- allows accessory units in all single family zones
- reduced parking standards in downtown zones
- allows manufactured homes in single family zones
- has created zones for single family attached housing
- allows small single family lots
- places minimal restrictions on group homes
  - a) in single family zones, homes are limited to six residents and two resident staff.

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<sup>76</sup> Joint Statements of the Department of Justice and the Department of Housing and Urban Development, Group Homes, Local Land Use, And the Fair Housing Act, See [http://www.usdoj.gov/crt/housing/final8\\_1.htm](http://www.usdoj.gov/crt/housing/final8_1.htm).

<sup>77</sup> 2004 City of Everett CAPER.

<sup>78</sup> City of Tacoma- Neighborhoods and Housing Committee Minutes, October 4, 2010, <http://www.cityoftacoma.org/INH>

- b) in multiple family zones, homes are limited to twelve residents and two resident staff.
- Increases density of housing in some zones.

There are also tax incentives for historic renovation that have been used in conjunction with low income housing credits to help finance the conversion of a historic hotel and an office building into affordable and low income housing. The city has adopted a tax incentive to encourage developments of 8 units or more downtown. This includes a tax property exemption for twelve years for projects which provide affordable housing. The City has adopted a Building Code change to allow up to five stories of wood frame construction in the downtown for residential use. This was an increase from four stories of wood frame construction. Parking standards were also reduced in Everett.

A number of plans and regulations have been developed and adopted by the City of Everett which increases the density of housing in the community<sup>79</sup>. These include:

- Everett Station Area Plan and C-2ES zoning which allows work/live units and housing through a rezone without a Comprehensive Plan change.
- Downtown Everett Plan and new B-3 regulations which allow unlimited housing density, higher heights, and reduced parking standards for housing and all other uses.
- Core Residential standards around the Downtown which allow unlimited density in some zones and higher densities in others and also reduce parking standards with higher heights.
- The Broadway Mixed Use zone which gives more development potential for housing along this mixed use corridor through new development standards and increased heights.
- The city is currently working on the Evergreen Way plan and new regulations which will encourage more development along this Bus Rapid Transit corridor for residential, commercial and other uses which are pedestrian friendly.

## **Group Homes**

Despite judicial precedents protecting group home arrangement under the Fair Housing Act, entitlement regions throughout the United States continue to struggle to balance group home needs with neighborhood opposition. The State of Washington defines group homes as:

- “Adult family home means a regular family abode in which a person or persons provide personal care, special care, room, and board to more

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<sup>79</sup> Information received via email from Jan Meston, Community Development Specialist, City of Everett on 4/22/2011

than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.”<sup>80</sup>

- “Boarding home means any home or other institution, however named, which is advertised, announced or maintained for the express or implied purpose of providing board and domiciliary care to three or more aged persons not related by blood or marriage to the operator.” It does not include “independent senior housing, independent living units in continuing care retirement communities, or other similar living situations including those subsidized by (HUD)”.<sup>81</sup>

Everett has promulgated a provision, entitled Planning Director Interpretation #08-02 Reasonable Accommodation under the Fair Housing Act<sup>82</sup>, for reasonable accommodations relating to requests for exemptions to the total number of unrelated persons residing in the home. In a survey response<sup>83</sup> there is a concern that housing providers are attempting to abuse the fair housing protections for group homes to violate city zoning regulations with respect to building safety under the guise of reasonable accommodations.

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<sup>80</sup>Revised Code of Washington, Section 70.128.010

<sup>81</sup> Washington Administrative Code, Section 388-78A

<sup>82</sup> Information received from Jan Meston, City of Everett on July 7, 2011

<sup>83</sup> Everett Stakeholder Survey, City of Everett Employee

## **X. Assessment of Fair Housing Activities in Everett**

### **1996-2005 Analysis of Impediments to Fair Housing**

As part of the Consolidated Plan process, the City of Everett prepared an Analysis of Impediments to Fair Housing Choice (AI) in 2005. The original AI drew information from a wide variety of sources including: the 2000 Census demographic and economic data; the Comprehensive Plan; zoning ordinances; and the previous Consolidated Plan. Information was also gathered from major housing providers, social service agencies, and nonprofit organizations in the city by survey, telephone and personal interviews. The Washington State Human Rights Commission, Department of Housing and Urban Development and the Volunteers of America Dispute Resolution Center and Crisis Line provided fair housing complaint statistics.<sup>84</sup>

The conclusions of the original analysis were:

- Families with children comprise 69% of the EHA's Section 8 waitlist and 27% of the public housing wait list, indicating families are disproportionately challenged by a lack of affordable housing and a lack of larger sized rental housing units.
- Census and other data, including school and housing authority records, indicate persons of color represent an increasing proportion of Everett's diverse population. As Everett's demographic profile evolves, pro-active municipal policies and programs can facilitate fair housing outcomes.
- Everett's overall homeownership rate remains low. Though Everett's median household income and median home prices lag behind other municipalities in Snohomish County, Everett experienced the fastest home appreciation in the County between 2003 and 2004. Among identifiable minority communities, Hispanic or Latino and Native Hawaiian/Pacific Islander residents have the lowest rates of homeownership. There may be an overlap between low rates of minority homeownership and the increasing frequency of residents who speak languages other than English. In contrast to national trends, in the City of Everett complaints alleging discrimination on the basis of race are more frequent than disability complaints. While disability and race comprise the top two protected classes cited in fair housing complaints filed nationally, in Everett race and familial status comprise the top two protected classes cited in fair housing complaints filed.
- Everett's rate of cause findings, at 3.23%, and rate of successful settlement and resolution at 35.48% are within national averages. Everett's rate of no cause findings, at 46.77%, is substantially higher than the national no cause rate of 26%.
- Though disability complaints are 3rd in terms of the number of fair housing complaints filed, they are the most likely to result in fair housing settlement relief.
- Survey participants rated themselves highly on fair housing knowledge but could not correctly identify the protected classes or referral agencies.

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<sup>84</sup> See 2005-2009 Consolidated Plan

- While 27% of the responses indicated sales discrimination is non-existent in Everett, only 8% indicated discrimination is non-existent in rental housing transactions.
- Survey respondents expressed concerns about the quantity and distribution of affordable housing in the face of redevelopment and community resistance. 67% of respondents indicated the need to review zoning laws with an eye to fair housing choice.
- 80% of respondents expressed a need for more fair housing education on housing discrimination issues. 67% stated that there are not sufficient fair housing resources.
- Disabled residents have a frequent need for fair housing assistance, particularly reasonable accommodations.
- Similar to HMDA trends across the country, Caucasian applicants for home mortgages have the lowest denial rates, regardless of mortgage product. Asians have the lowest denial rates among non-Whites and denial rates for Asians nearly matched that of Caucasian mortgage applicants.
- Other than a slight decrease in conventional mortgage denial rates for African-Americans, Hispanic mortgage applicants experienced the most significant decrease in denial rates for conventional home mortgages between 2001 and 2004.
- Overall denial rates for all types of mortgage applications increased between 2001 and 2004, reflecting heavy marketing to first-time buyers and an increase in applications from higher-risk borrowers seeking to take advantage of historically low mortgage interest rates.
- The denial rates for government-insured and conventional loans are now nearly equal by race and national origin for all borrowers. This trend is new and reflects the increasing competitiveness of new conventional mortgage products that cater to higher-risk borrowers historically served by government-insured mortgages.

## **City of Everett Activities**

### **Consolidated Plan Goals and Affirmatively Furthering Fair Housing**

The 2010-2014 City of Everett Consolidated Plan contains extensive data on the housing market and housing/service needs of low- and moderate-income renters, owners, homeless people and people with special needs and articulates strategies for maximizing the uses of limited resources to address identified needs. In their Consolidated Plan, the City of Everett states that “careful planning to address community development issues affirmatively furthers fair housing.”

In the City of Everett’s 2009 CAPER<sup>85</sup>, housing providers were interviewed and subsequently identified the following as what they considered to be impediments to fair housing.

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<sup>85</sup> 2009 Consolidated Annual Performance Report (CAPER);

- The primary impediment listed by all was lack of affordable housing.
- There was a stated need for more Section 8 vouchers. There are currently 1100 people on the waiting list. According to the Director of Rentals for the Housing Authority, holders of Section 8 vouchers have not experienced discrimination in Everett although the housing market has made it difficult for them to find affordable housing.
- Wheel chair accessible units are generally available but the price is often not affordable for those who need the units.
- There is a need for additional translation services for non-English speakers. This need has increased and the trend is expected to continue.
- Because of the high cost of housing in Puget Sound many Everett residents are paying more than 30% of their income on rent and home ownership is the beyond the reach of many.

### **Addressing Domestic Violence**

In the last few years, domestic violence has increasingly become a fair housing issue. When domestic violence occurs, housing for victims is an immediate issue, as a result of a housing provider enforcing rules, and or the need to flee, jeopardizing rental history. As such, Everett's has included a provision of \$16,000 to Domestic Violence Services (formerly The Center for Battered Women) in support of crises services for victims of domestic violence. In addition, the City of Everett created a Redevelopment Authority to review and make a recommendation related to the surplus of the Army's Oswald Reserve Center. Domestic Violence Services of Snohomish County (DVS) was selected to receive this surplus property through the 2005 Base Realignment and Closure process. The approved re-use plan with the City of Everett transfers the property to DVS for conversion to shelter, transitional housing and services. Phase 1 of the project has DVS converting existing buildings to shelter space, administrative offices, a day care facility and kitchen. The shelter will be a 60-bed shelter<sup>86</sup>.

### **Community Housing Resource Board**

The Community Housing Resource Board (CHRB) provides Fair Housing education in the City of Everett and throughout Snohomish County. This board of volunteers includes representatives of local banks, the Association of Realtors, the Naval Housing Office, property managers, City of Everett and county government and the Volunteers of America Rental mediation service and advocates for the disabled and refugee population.<sup>87</sup>

The CHRB meets three times a year and conducts six educational seminars a year on Fair Housing and Tenant/Landlord Law. Three are held in Everett and three in the county.

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<sup>86</sup> Information received via email from Jan Meston, Community Development Specialist, City of Everett on 4/22/2011

<sup>87</sup> City of Everett 2009 CAPER

These seminars are advertised in the newspapers and in flyers distributed to social service agencies, libraries, and community centers and placed on reader boards throughout the county and city. The flyers have been translated into Vietnamese, Spanish and Ukrainian. Speakers at the seminars provide information on tenant and landlord rights and responsibilities, legal aspects of the Landlord-Tenant Law and the local implications of the federal and state Fair Housing Laws.<sup>88</sup>

On April 10, 2010 at the Everett Public Library, the CHRB had its second ever landlord-tenant seminar for Spanish speakers. There were 9 individuals in attendance and the attendees had a number of good questions for the presenters. The first hour and half of the presentation was entirely in Spanish with the half hour being translated from English to Spanish. It is not clear that anything on fair housing was presented in depth at this training.

The following people presented: Diane Weyrick, an attorney from the Snohomish County Legal Services; Michelle Raiford, staff member at the Northwest Justice Center; Matt Brady, staff member at the Northwest Justice Center; Christina Higgins, staff member at the Washington State Human Rights Commission; LaDessa Croucher, program manager of the Renter Certification Program; and a staff member at the Washington State Human Rights Commission

Additionally, at the Everett seminar, Anahi Machiavelli, a Spanish Speaking Attorney from Argentina, and one of the attorneys of the Dispute Resolution Center of Snohomish and Island Counties, presented.

This past fall CHRB offered its traditional 2 landlord-tenant seminars. The first session took place on November 9 at the Everett Public Library Meeting Room. There were 10 individuals in attendance. The second seminar was held on November 10, 2010. It was also a success with 14 participants attending with many commenting on the convenience of the location. The goal was that the attendees would be able to receive the information from the seminars and then see the DRC/RHMS as a resource that they can utilize when experiencing other landlord-tenant issues, fair housing issues, and conflicts they may be experiencing.

Overall, the CHRB reports that the seminars were successful in getting solid landlord-tenant information from variety of experts in the field, to the interested parties in the community, as well as marketing the availability of additional free landlord-tenant services through the DRC. This year's seminars featured Diane Weyrick from Snohomish County Legal Services, Matt Brady from Northwest Justice Center, Christina Higgins from Washington State Human Rights Commission, and a representative from the Washington State Human Rights Commission, Tom Hoban, Jr. from Coast Management Company as well as LaDessa Croucher, Program Manager for Snohomish County' 2163 Renter Certification Program.

There is a need for stand alone fair housing trainings, as the focus of the trainings that have take place have been mainly focused on landlord-tenant issues.

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<sup>88</sup> Ibid

## Rental Mediation

The Housing Information and Mediation Service of the Volunteers of America (VOA) provides information and referrals to individuals who believe they are experiencing housing discrimination. The VOA further offers mediation services to landlord and tenants. This service often resolves problems resulting from misunderstanding of housing laws and miscommunication resulting from cultural or other differences. The mediation service has been very effective in resolving landlord/tenant conflicts and avoiding tenant evictions. This service, like other social services in Everett, has experienced funding shortfalls and is beginning to reduce services.

According to the 2009 CAPER, “the VOA further offers mediation services to landlord(s) and tenants. This service often resolves problems resulting from misunderstanding of housing laws and miscommunication resulting from cultural or other differences. The mediation service has been very effective in resolving landlord/tenant conflicts and avoiding tenant evictions. This service, like other social services in Everett, has experienced funding shortfalls and is beginning to reduce services.”<sup>89</sup>

According to the Executive Director of the VOA DRC<sup>90</sup>, Everett residents made 113 fair housing inquiries received by the DRC between November 1, 2005 – October 31, 2010, which were distributed as follows:

### **VOAWW Dispute Resolution Center Fair Housing Inquiries** **November 1, 2005 – October 31, 2010**

<b>Discrimination Type</b>	<b>Number of Calls</b>
Disability	46
Race/Color	21
Families with Children	4
Marital Status	0
National Origin	3
Retaliation	12
Sex	20
HIV	4
<b>Total</b>	<b>113</b>

It is not clear if these numbers reflect actual intakes or if these were cases that were mediated and/or referred out. Everett residents who contact the DRC with fair housing inquiries are provided information about landlord/tenant rights and responsibilities (as applicable) and fair housing and mediation options. Those seeking to file housing discrimination complaints are referred to the WSHRC, the FHAP agency primarily responsible for fair housing enforcement in Washington.

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<sup>89</sup> Ibid

<sup>90</sup> Matt Phillips, Director, Volunteers of America Dispute Resolution Center of Snohomish, Island, & Skagit Counties, January 4, 2011

The City of Everett decreased funding for the rental mediation service from \$18,080 in 2005 to \$10,000 in 2010.<sup>91</sup> According to VOA's Director of the Dispute Resolution Center, since November of 2005, 8,204 persons benefited from services provided by the City's funding of Tenant/Landlord Counseling through the Center.<sup>92</sup>

### **Continuum of Care<sup>93</sup>**

The City of Everett is part of a HOME Consortium with Snohomish County. Everett staff participated in Snohomish County's process to establish a Continuum of Care strategy. This process is being undertaken with the participation of the local social service and housing provider agencies.

Everett has funded many programs designed to prevent homelessness and to provide emergency and transitional housing.<sup>94</sup> The City has also funded several programs that address the needs of homeless individuals and families. Those programs funded with CDBG funds include: Volunteers of America Family & Children's Services, Volunteers of America Rental Housing Mediation Service, Domestic Violence Services of Snohomish County, Community Health Center, Cocoon House, Housing Social Services, the ARC Housing Program, the Salvation Army, Everett Housing Authority, and Housing Hope.

### **U.S. Department of Housing and Urban Development**

The US Department of Housing and Urban Development (HUD) administers the Fair Housing Act. In certain cases, HUD refers complaints to the Department of Justice (DOJ). HUD is also required to work on programs of voluntary compliance with the Fair Housing Act<sup>95</sup>.

Federal Fair Housing Agencies

AGENCY	FUNCTION
HUD/Washington State Fair Housing Enforcement Center (FHEO)	Consumer information Complaints
HUD Program information and Compliance Center	Information on fair housing program requirements, education and outreach, and outreach and compliance reviews
DOJ, Civil Rights Division, Housing and Civil Rights Enforcement	Pattern and practice complaints (denial of rights to a group of persons where it is of general public importance, or a pattern and practice of resistance to fair housing rights by a person or group)

<sup>91</sup> 2009 CDBG Action Plan

<sup>92</sup> [www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py02/wa/EverettWA.xls](http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py02/wa/EverettWA.xls) and [www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py03/wa/EverettWA.xls](http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py03/wa/EverettWA.xls)

<sup>93</sup> 2009 CDBG Action Plan

<sup>94</sup> 2009 CAPER

<sup>95</sup> US Congress, Title VIII, Civil Rights Act of 1968 (42 US C. 3600-3620);sec 7(D), Department of Housing and Urban Development Act, 42 US C. 3535 (d)

The Northwest/Alaska Region Office of Fair Housing and Equal Opportunities is responsible for investigating fair housing complaints and working on programs to further fair housing compliance. HUD collaborates with other organizations to provide quarterly fair housing training (located in Seattle), provides Fair Housing and Equal Opportunity Compliance Review Training, and Consolidated Annual Performance Evaluation Reports (CAPER) training.

Between November 1, 2005 to the present HUD FHEO investigated 37 complaints of housing discrimination in Everett, not including 31 of which were investigated by the WSHRC and dual filed with HUD as described below.

### **Washington State Human Rights Commission**

The WSHRC is a federally-certified FHAP agency that investigates HUD Fair Housing Act complaint referrals. The WSHRC enforces complaints in housing based on race, color, creed (religion), sex (gender), disability, use of a guide dog or service animal, familial status, and national origin. Non-federal fair housing protected classes under the WLAD include marital status, sexual orientation, gender identity, and veteran or military status. Approximately 30% of the WSHRC's budget is provided by federal funds while approximately 70% of the WSHRC's budget is funded through an allocation of state general funds.

Between 2006 and 2010, the WSHRC investigated 31 complaints of housing discrimination, all "dual-filed" with HUD under the FHAP program. Unprecedented State budget shortfalls have resulted in steep cuts to WSHRC's budget and undermined its capacity to provide education, outreach and enforcement. As a result, the WSHRC has:

- Reduced staffing from a high of 41.7 to 28 positions (as of October 31, 2010);
- Closed its Yakima and Vancouver offices;
- Ceased offering walk-in services at its Seattle offices.

The Governor has proposed creating a new Office of Civil Rights that would consolidate the Human Rights Commission with the Office of Minority and Women's Business Enterprise, the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian Pacific American Affairs.

### **Snohomish County Human Rights Commission**

In August of 2007, an ad hoc committee of Snohomish County citizens, including residents of Everett, began collaborating to establish a Snohomish County Human Rights Commission with enforcement powers like the Washington State Human Rights Commission, Seattle Office for Civil Rights and King County Office of Civil Rights. SCCCHR worked closely with the Washington Human Rights Commission to propose a civil rights ordinance to the County Council modeled on the Washington Law Against Discrimination.

In response to this grassroots effort, in June of 2010, the Snohomish County Council amended the County's civil rights ordinances and created the Snohomish County Commission on Human Rights. Yet members of the SCCCHR have expressed disappointment that the Snohomish County Council failed to establish a Commission with enforcement powers as proposed.

According to an article in the Herald<sup>96</sup>, "almost all of the speakers" who testified at the public hearing "blasted the idea of an advisory commission as ineffective and beholden to county government." Despite the apparent citizen support for the creation of a civil rights enforcement agency in Snohomish County, the "Council voted to form a commission with advisory powers only." Herald, "Despite objections, county OKs advisory rights panel," Noah Haglund, published: Wednesday, June 9, 2010.

Although the community debate focused on the creation of a County-level agency unable to exercise jurisdiction within the city limits of Everett, many of the citizens who advocated for a County Human Rights Commission were Everett residents. Indeed, in a letter to the Herald written on the heels of the County's creation of the County Commission, an Everett resident expressed disappointment that Snohomish County lacks a local enforcement agency to address "discrimination/bigotry."

## **Fair Housing Center of Washington**

The Fair Housing Center is a HUD designated nonprofit Qualified Fair Housing Organization<sup>97</sup> and serves residents of Everett. The Fair Housing Center is the only nonprofit fair housing organization serving western Washington. Nonprofit fair housing agencies have the ability to act as advocates for individuals that have experienced discrimination in housing by supporting them through the complaint process<sup>98</sup>, conducting education and outreach and participate in HUD approved enforcement activities.

The agency provides intake and investigation of housing discrimination claims, conducts testing, and offers education and outreach programs and contracts for other related services. The agency has award winning English as a Second Language programs and has a contract with Language Line a phone based interpreter service.

### **Testing in Everett**

The Fair Housing Center of Washington is the only entity in Western Washington that conducts testing and completed nine rental in Everett during the time period of this

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<sup>96</sup> The Herald- "Council bored by citizen testimony," published Friday, June 18, 2010.

<sup>97</sup> Qualified Fair Housing Organization (QFHO) is HUD's designation for nonprofit fair housing organizations that investigate and file cases of housing discrimination and perform testing activities for more than two years.

<sup>98</sup> HUD and the Washington State Human Rights Commission must maintain an impartial role with complainants and cannot support them through the filing or conciliation process. Nonprofit fair housing organizations can serve as advocates.

report. For a full synopsis of testing conducted in Everett, see Section V: Impediments to Fair Housing Choice, General Trends.

### **Intake and Investigation of Housing Discrimination Complaints in Everett**

The Fair Housing Center received 64 calls from residents of the City of Everett from November 1, 2005 through October 31, 2010. Forty (40) of these calls resulted in fair housing cases, 82.5% of which dealt with issues relating to disability and requests for reasonable accommodations. The remainder of fair housing cases handled by the Fair Housing Center related to sex, harassment, race, national origin and familial status in the rental market. In 2007, the Fair Housing Center tested an apartment on site in Everett in response to a complaint received from an Everett household alleging discrimination on the basis of disability for individuals using motorized wheelchairs and who have diabetes. The tester was informed that there were no housing units available for persons with diabetes who use insulin or for persons who use motorized wheelchairs. Based on the results of testing, the Fair Housing Center filed a discrimination complaint with HUD resulting in a monetary settlement

### **Education and Outreach in Everett**

The Fair Housing Center conducted one fair housing education training in Everett from November 1, 2005 to October 31, 2010. The training was for the Snohomish County Homeless Coalition and was conducted on September 13, 2007.

### **Legal and/or Landlord-Tenant Services**

**Northwest Justice Project (NJP)**, a statewide legal services agency, assists income eligible clients with non-criminal legal issues. Northwest Justice Project has bilingual staff located in Seattle to assist clients with fair housing issues. NJP operates a toll-free intake and referral hotline called CLEAR (Coordinated Legal Education Advice and Referral). CLEAR serves as the statewide, centralized point of access for clients seeking free legal help, including advice, education, limited legal services, self-help materials and, where available, referrals for further representation. NJP attorneys in offices around the state provide assistance and direct representation in high priority, complex cases, including cases that address barriers to persons seeking access to our justice system, and also engage in community education efforts.

**Columbia Legal Services (CLS)**, a statewide legal services agency, represents indigent clients in civil cases. CLS has a solid, long-standing reputation representing clients in fair housing cases.

**The Tenant's Union (TU)**, a statewide nonprofit, membership organization provides information to tenants, including residents of Everett on Washington State Landlord Tenant Laws. The Tenant's Union, located in Seattle, with a (206) area code and website (with fair housing information and links to fair housing enforcement organizations), provides landlord tenant support (but not legal advice) to all residents of

Washington. Fair housing related calls are referred to jurisdictional agencies or the Fair Housing Center of Washington for housing discrimination issues.

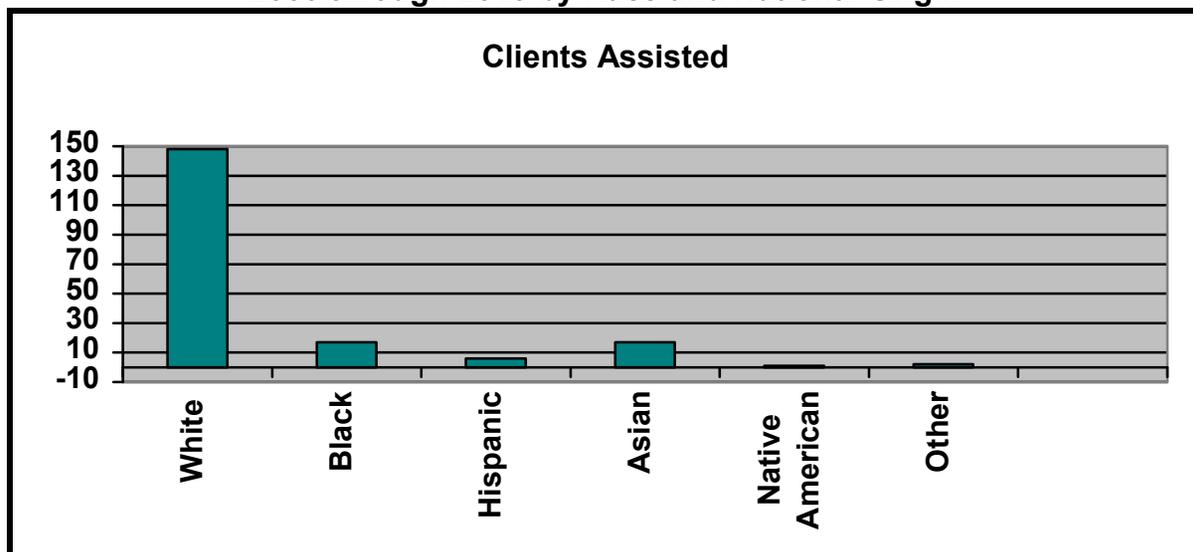
## First Time Homebuyer Programs

### Washington State Housing Finance Commission

The Washington State Housing Finance Commission (WSHFC) allocates bond and tax credit financing housing providers who provide low income housing along with education and financing programs for first time homebuyers. Along with this distribution of funds come requirements relating to adherence to fair housing laws. The WSHFC co-sponsors fair housing training for tax credit/bond financed property managers with Spectrum Seminars, a national compliance trainer, and offers first time homebuyer classes throughout the state to include the City of Everett. Fair housing materials from HUD and the Fair Housing Center of Washington are included in the seminars.

During the period of December 3, 2005 through August 28, 2010, 680 citizens from Everett participated in first time homebuyer classes offered in Everett. Of the 93 classes given during this time period, there was one class offered in American Sign Language, and the rest were in English. Demographic data in race and national origin was not collected from class participants. Although disability is noted, there were no disabled participants during this time period who attended any of the classes. From November 2005 through July of 2010, 191 Everett households received home mortgage financing through the WSHFC House Key loan program. Of these, 42, or 22%, assisted minority households to purchase a home, as noted below<sup>99</sup>.

**WSHFC House Key Loans Financed in Everett  
2006 through 2010 by Race and National Origin**



<sup>99</sup> Information received from Washington State Housing Finance Commission for WA state from 2005-2010, via email

## **Washington Homeownership Center**

The Washington Home Ownership Center (WHC) offers a free, statewide Homeownership Hotline providing information for first-time homebuyers who often face multiple barriers to homeownership. According to the Center, clients who contact WHC receive a home ownership readiness assessment, including a review of household size and income, credit history, housing and location requirements, and other factors used to determine eligibility for a variety of first time buyer programs. Clients are then referred to the appropriate resources and encouraged to call back throughout the process for further assistance. Generally everyone gets a homebuyer class schedule, a packet of information on agencies that work on credit, budgeting, housing development, homebuyer education and fair housing, along with information on down payment assistance programs and government loan programs. For the last several years, clients also receive a brochure on predatory lending.<sup>100</sup>

## **City of Everett Home Ownership Funding**

A significant portion of Everett CDBG funds allocated to affordable housing production, including CHIP, the Housing Authority, Housing Hope, ARC and Senior Services go to support housing for the disabled and those with special needs.<sup>101</sup>

The 2009 CAPER notes the following home ownership initiatives funded or supported by the City of Everett:

- CHIP rehabilitation loans are available for projects in conjunction with down payment assistance and below market rate first mortgages to allow buyers to purchase homes in need of repair.
- Using HOME funds, Parkview Services helps residents achieve homeownership through Parkview's Homeownership Program, by offering home buying assistance in the City of Everett to people with disabilities and family members who will live with them.
- The City continues to support the Everett Housing Authorities efforts to assist Section 8 tenants to achieve homeownership through Section 8 Homeownership Program.

According to HUD records, between July 1, 2002 and June 30, 2004, 8 households benefited from direct home ownership assistance provided by the City's CDBG programs.<sup>102</sup> Between July 1, 2005 and June 30, 2010, 14 households benefitted from direct home ownership assistance provided by the City's CDBG, HOME, ADDI and Neighborhood Stabilization Programs<sup>103</sup>.

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<sup>100</sup> <http://www.homeownership-wa.org/about.htm>

<sup>101</sup> Ibid

<sup>102</sup> [www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py02/wa/EverettWA.xls](http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py02/wa/EverettWA.xls) and [www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py03/wa/EverettWA.xls](http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/py03/wa/EverettWA.xls)

<sup>103</sup> Information received via email from Jan Meston, Community Development Specialist, City of Everett on 4/22/2011

## **HomeSight**

The HomeSight program offers down payment assistance, first time homebuyer classes and builds and sells houses. The program does broad based marketing via multi-county bus ads and niche billboards plus newspaper and radio. They are required by HUD to have an affirmative marketing plan. HomeSight has a multi-lingual staff and uses the Language Line for other language interpretation needs. They publish their ads in English, Spanish and Vietnamese.

In 2005 HomeSight, with assistance from the City of Everett completed Kokanee Creek, a 35-unit for-sale housing development for low-income first time home buyers. The City of Everett dedicated \$43,936 in HOME funding toward first time home buyer assistance programs in collaboration with HomeSight. In the City of Everett's 2009 CAPER, the City notes that it provided HOME funds for nonprofit developers to construct or to acquire/rehabilitate units for sale to income eligible first-time homebuyers.

## **Realty Associations**

### **Snohomish County Apartment Operators Association SCAOA**

The Snohomish County Apartment Operators Association is a non-profit association serving the interests and welfare of area owners and operators of rental housing, and is located in Everett. SCAOA offers referral assistance and has many volunteers, including nineteen officers and directors, and an arbitration panel made up of a group of volunteers that work to solve landlord-tenant problems, as well as assist with physical evictions. Landlord Membership in the organization allows members to obtain credit reports and court records searches at a reduced cost for tenant screening. Members are also promised legislative representation so that their interests are served on issues by SCAOA's State Legislative Lobbyist. The site states that "the need for representation in the legislature on laws affecting the rental industry is a constant concern of our Association." Members are kept informed of current federal and state law changes. A review of their website shows that under the tab "Helpful Links"<sup>104</sup> on the main page, there is a link entitled "Fair Housing," which directs viewers to the Department of Justice web page for the Fair Housing Act.

### **Rental Housing Association of Puget Sound**

The Rental Association of Puget Sound (Rental Association), formerly Apartment Association of Seattle/King County (AASK), is the largest association of rental housing owners in the Pacific Northwest, representing more than 3,000 rental housing owners, operators and service providers. Members of this organization are required to sign a code of conduct which includes the statement "We comply with federal, state and city fair housing laws. We do not engage in discriminating against persons on the basis of

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<sup>104</sup> <http://scaoa.com/helpful-links/>

their protected-class status”<sup>105</sup>. Their web site includes the code of conduct and specific links to fair housing information. In addition, the Rental Association publishes a monthly newsletter which includes articles on fair housing<sup>106</sup> and is a partner in the annual TRENDS conference which provides resources on fair housing.

### **Snohomish County-Camano Association of Realtor’s®**

Snohomish County-Camano Association of Realtor’s® (SCCAR) offers membership to realtors doing business in Snohomish County and Camano Island. Their website advertises training opportunities that include information on fair housing training offered through SCCAR, HUD’s phone number and general information in its on-line library. SCCAR publishes a newsletter that occasionally has articles relating to fair housing. Members are required to sign a code of ethics, which provides that “Realtors® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. Realtors® shall not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin.” The SCCAR web site does not contain any references to State of Washington fair housing requirements.

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<sup>105</sup> [www.rha-ps.org/code.aspx](http://www.rha-ps.org/code.aspx)

<sup>106</sup> Fair housing articles are often taken, with permission, from the Fair Housing Update newsletter which is a collaborative effort of all the Washington fair housing organizations.

## **XI. Identified Impediments and Recommendations**

To assist the City of Everett in meeting its goal of overcoming barriers to fair housing choice and ensuring fair housing protections, the following issues are submitted as areas of consideration for focus:

### **Impediments to Fair Housing Choice**

#### **Impediment I: Housing discrimination primarily affects persons of color and different national origins, and the disabled**

- In Everett, disability (58%) and race (19%) were the most frequent bases for complaints, followed by national origin (10%), retaliation (7%), and sex (3%). In the disability cases, 43% were related to failure to make reasonable accommodation.
- While the 1996-2005 AI indicated that fair housing testing on the basis of family status resulted in the greatest frequency of observed differential treatment (60%), no family status fair housing complaints have subsequently been filed with HUD or the WSHRC. This may indicate a lack of knowledge of fair housing rights or a need to reach out to families with children to ascertain if there are fair housing issues that are not referred to appropriate agencies when they arise.
- Housing provider surveys conducted for the Consolidated Plan identified an insufficient number of affordable and accessible housing to meet the needs of the community as the most significant impediments to fair housing choice.
- Recent cases in Washington confirm that violations of zoning and building codes or landlord-tenant repair requirements can have fair housing implications when a housing provider engages in differential repair practices based on the demographic profile of the residents of the property.
- The efforts of the Snohomish County Citizens Committee on Human Rights (SCCCHR) to establish a County-level civil rights enforcement mechanism indicate community support for the establishment of such a mechanism in Everett.

#### **Impediment II: Seattle-Bellevue-Everett Metropolitan Division (MD) lending institutions deny more loans to Hispanics and African Americans.**

- Homeownership is recognized by HUD as a crucial variable in shaping economic prosperity. Home Mortgage Disclosure Act (HMDA) data continue to reflect the disparity in homeownership between Hispanic and African American households compared to Asian and Whites with similar incomes. The disparity in homeownership rates, whether a reflection of unfair housing practices or economic variables, merits continued attention.

- A review of HMDA data indicates that Hispanics have the highest rate of denial for refinance mortgages followed by Blacks across all incomes.
- Hispanics and Blacks continue to have higher denial rates for refinancing and home improvement loans than for conventional loans.

**Impediment III: There is a lack of fair housing knowledge among Everett officials, residents, and housing providers.**

- Interviews with affordable housing providers and advocates indicate a lack of confidence in their fair housing knowledge and a desire for more comprehensive fair housing education.
- Surveys of City staff indicate a lack of confidence in their ability to address housing providers who invoke fair housing in response to City efforts to enforce its zoning and building codes.
- Housing providers may appear to misunderstand the scope of fair housing protections for group homes.
- Although Everett Housing Authority conducts on-going and frequent fair housing training for its staff, surveys indicate that over half of its employees “don’t know much” or “know a little” about fair housing.
- The efforts of the Snohomish County Citizens Committee on Human Rights (SCCCHR) indicate community desire for more comprehensive fair housing education.
- At the local level, HUD-funded housing resources primarily consist of landlord-tenant and affordable housing services.

**Recommendations**

To address the impediments to fair housing choice identified in this report, it is recommended that the City of Everett continue to build on its on-going efforts to affirmatively further fair housing by implementing the following recommendations.

**Recommendation I: Develop a Fair Housing Action Plan**

- A. Pursuant to the GAO’s September 2010 AI report, it is recommended that the City of Everett establish a fair housing action plan, containing express implementation time frames, derived from the recommendations contained in this report.
- B. To avoid the criticisms expressed by the GAO, the final iteration of this AI should be signed by the Mayor of the City of Everett.

**Recommendation II: Strengthen Education and Outreach Efforts.**

Despite limited resources, the City of Everett current's fair housing activities provide a sound foundation for affirmatively furthering fair housing. While Everett and its partners are conducting fair housing education, implementation of the following recommendations will facilitate an increase in the confidence of officials, residents, and housing providers in their knowledge of fair housing. Code enforcement staff may benefit from receiving fair housing training to identify the potential fair housing implications of building and zoning code violations.

- A. Ensure CDBG and HOME sub-recipients obtain fair housing education and verify that training has occurred.
- B. Ensure CDBG and HOME sub-recipients include links to federal, state, and local fair housing enforcement and education resources.
- C. Increase fair housing information and links to fair housing laws/programs on the city of Everett web site.
- D. Increase the organizational capacity of the Community Housing Resource Board by establishing a website to disseminate fair housing information.
- E. Coordinate with the Dispute Resolution Center to expand its website's fair housing referral sources to include HUD fair housing enforcement and education resources.
- F. Coordinate with the Dispute Resolution Center to quantify housing discrimination complaints made by Everett residents.
- G. Ensure that partners who provide fair housing educational programming establish and present a separate and stand alone fair housing curriculum in the course of CDBG-funded landlord-tenant and fair housing workshops.
- H. Consider funding fair housing training for specific audiences, including affordable housing providers, group home providers, private market housing providers, and tenants.
- I. Provide customized fair housing training to appropriate City departments.
- J. Clarify the City of Everett's Municipal Code on fair housing to include the federal and state protected classes

### **Recommendation III: Consider Implementing Enforcement Activities**

Complaint data and testing activities in Everett demonstrate that protected classes encounter differential treatment when seeking housing. To alleviate such impediments and to measure progress in correcting discrimination, it is recommended that Everett:

- A. Consider establishing a fair housing enforcement mechanism.
- B. Conduct testing for familial status discrimination to better understand the lack of such fair housing complaints.
- C. Conduct fair housing testing for discrimination on the basis of race and national origin.
- D. Evaluate zoning policies utilized by neighboring governments such as Seattle to assess whether the implementation of reasonable accommodation provisions in the zoning code could assist the City to better balance the enforcement of its

zoning and building codes with affirmatively furthering fair housing protections for group homes.

- E. Utilize complaint and testing results to inform education and outreach efforts.

**Recommendation IV: Target homeownership and lending marketing to Hispanic and African American, as well as the Disabled.**

- A. Analyze the local fair housing implications of the foreclosure crisis.
- B. Ensure fair housing is incorporated into homeownership initiatives.
- C. Ensure that Everett funded housing programs are working with banks with favorable Community Reinvestment Act (CRA) ratings.
- D. Work with banks to promote high CRA ratings and to invest in Everett's borders.
- E. Work with real estate organizations, banks and lending institutions to increase marketing to African American, Hispanics and Disabled homebuyers.
- F. Ensure that the Everett-funded first time homebuyer programs track minority involvement in first time homebuyer classes, closure on loans and market to African Americans and Hispanics.
- G. Support efforts of Housing Authorities to establish conventional mortgage financing opportunities for low income households, including family self-sufficiency and mobile home park residents.

**Recommendation V: Continue to Support the Development of Affordable Housing**

A review of current housing and human services strategies demonstrates Everett's commitment to maximize community benefit from limited and declining federal CDBG resources. It is recommended the City of Everett:

- A. Continue implementing the housing and human services strategies articulated in the 2010-2014 Consolidated Plan, especially housing strategy one (support of fair housing programs), housing strategy four (housing for special needs populations), strategy six (support of home ownership) and strategy seven (promoting housing choice).
- B. Continue to support housing providers that disproportionately serve protected classes such as the Everett Housing Authority.

**Recommendation VI: Continue to Monitor Fair Housing Trends**

In a community as dynamic as Everett, new policy challenges may emerge in response to a diverse and changing population and regional economic trends. The below are suggested methods to continue to monitor local and national fair housing trends in order to stay current with policy changes as they happen:

- A. Monitor HUD's responses to the Westchester litigation.
- B. Monitor efforts to amend the federal Fair Housing Act.
- C. Monitor the Governor's proposal to create a State Office of Civil Rights.

## **Conclusion**

The City of Everett is to be commended for its commitment to achieving fair housing by proactively developing and maintaining programs to address many of the impediments identified in this report. The implementation of the recommendations in this AI will enable Everett to increase fair housing opportunities and serve as a model for implementing initiatives designed to affirmatively further fair housing.

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