

Tri-Cities Analysis of Impediments to Fair Housing



2005-2009

Developed by Common Ground



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Tri-Cities HOME Consortium and the Community Development Block Grant Programs for the Cities of RICHLAND, PASCO, and KENNEWICK

*"A home is not a mere transient shelter: its essence lies in the personalities of
the people who live in it."*

H.L. Menchen
(1880-1956)

INTRODUCTION

An Analysis of Impediments to Fair Housing (AI) is a compilation of a variety of real estate data, housing conditions and factors, and other information, which can help in determining if patterns of discrimination or lack of choice impact a community's citizens. The discriminatory patterns may be overt or less obvious actions that result from a lack of information, old habits, misunderstandings, and unfortunately inaccurate folklore about people based not on fact, but rather on their physical appearance, religion, race or other arbitrary generalizations. Despite the basis, discrimination is illegal and generally bad for not only individuals but also for communities as a whole. Obtaining fair, non-discriminatory access to housing and exercising housing choice is a civil right granted to all persons in the United States by a variety of federal laws, executive orders, as well as HOME and CDBG Program rules. Washington has additionally established State laws to enforce fair housing and housing choice.

The AI is a required document for Community Development Block Grant (CDBG) and HOME entitlement jurisdictions. It will become the basis for identifying specific patterns of violations that occur in a local jurisdiction of the Fair Housing Act and other laws, civil rights rules, and regulations. Once patterns are identified, communities can design effective strategies and goals to address fair housing problems.

The Cities of Richland, Kennewick and Pasco have prepared this Analysis of Impediments to Fair Housing to comply with HUD regulations for local CDBG and HOME entitlements. It will be in place for the program years established as the effective date for the most current Tri-Cities Regional Consolidated Community Development and Affordable Housing Plan, 2005 to 2009.

The Fair Housing Act and the CDBG and HOME Program rules pertaining to non-discrimination follow a history in the United State's affirmation of various civil rights of its citizenry. The core principles of fairness and anti-discrimination are rooted in the Constitution and its Amendments, and a series of milestone civil rights laws that have further honed the concept of fairness in governmental and private actions. It is important

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to stress that these laws were made not only to govern the individual citizen's actions, but also establish the same standards of fairness and accountability for government actions.

FAIR HOUSING IN AMERICA CHRONOLOGY OF IMPORTANT CONSTITUTIONAL ACTS AND FEDERAL LEGISLATION ¹

1787	U.S. Constitution (Article 1, Section 2)	For purposes of number of representatives, slaves count as three-fifths of a person.
1791	Bill of Rights (First 10 Amendments)	Fifth Amendment guarantees right to "due process."
1865	13th Amendment	Slavery abolished, and Congress given power to enact appropriate legislation to enforce this article.
1866	Civil Rights Act of 1866 (42 U.S.C. 1982)	Enacted under authority of 13th Amendment, this Act guarantees all real and personal property rights enjoyed by "white citizens" to all U.S. citizens regardless of race.
1868	14th Amendment	14th Amendment (and 5th Amendment) prohibits government discrimination.
1962	Executive Order 11063	President Kennedy directs all federal agencies to take all action necessary to prevent discrimination because of race, color, creed or national origin.
1964	Civil Rights Act of 1964 (Title VI)	1) Prohibits discrimination based upon race, color and national origin in federally assisted programs, including public housing. 2) Authorizes withholding of federal funding from state or local grantees engaging in discriminatory activity.

¹ Access Washington, Official State Government WebSite, Human Rights Commission.

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1968	Civil Rights Act of 1968 (Title VIII -The Fair Housing Act)	<ol style="list-style-type: none">1) Outlaws private discrimination in housing, including refusal to rent or sell.2) Also outlaws private discrimination in advertising, terms of sale or rental, blockbusting, and use of real estate services.3) Exemption for individual owners of single-family home (where no real estate broker is used) if owner does not own more than three such homes.4) Exemption for housing operations by qualifying religious groups or private clubs.
1973	Rehabilitation Act of 1973 (Section 504)	Prohibits discrimination against handicapped persons in all federally assisted programs, including housing.
1974	Equal Credit Opportunity Act (ECOA)	Prohibits credit discrimination in housing, based upon race, color, religion, national origin, sex, marital status or age.
1974	Housing and Community Development Act of 1974	<ol style="list-style-type: none">1) Expands Fair Housing Act to include prohibition of sex discrimination in housing.2) Creates “Section 8” programs.3) Establishes Block Grant program and Urban Development Action Grant program.
1975	The Age Discrimination Act of 1975	Prohibits discrimination on the basis of age in programs receiving federal financial assistance.
1980	Executive Order 12259	President Carter expands Kennedy’s 1962 Executive Order to include sex-based discrimination, and grants HUD secretary additional authority to issue regulations.
1988	Fair Housing Amendments Act of 1988	<ol style="list-style-type: none">1) Broadens Title VIII to include protected classes of handicapped persons and familial status (with exception for older person housing).2) Mandates handicapped accessibility requirements for new multi-family properties, and permits handicapped tenants to modify existing housing (at tenant’s expense).3) Increases civil and administrative enforcement relating to potential damages and attorney’s fees.

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Note: This timeline does not include all Executive Orders, which have directly, and indirectly impacted Fair Housing rights. Such orders are listed below.

Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.

Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin. Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

A relatively new civil rights law, the Americans with Disabilities Act, Public Law 336 of the 101st Congress, was enacted in 1990 to provide additional anti-discriminatory and proactive treatment for persons with disabilities. This landmark legislation further prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of TDD/telephone relay services. It has also become a major force in ensuring that persons with special needs (those termed as disabled under the Act) will not suffer from limited choice, unfair, or discriminatory actions of other individuals, organizations or governments.

The Fair Housing Act of 1968 is still the cornerstone law which established the exact nature of real estate, mortgage lending, and housing transactions that must be conducted in a fair and non-discretionary manner for all persons, without regard to their race, age, national origin, sex, familial status or disability. Washington State has a Fair Housing law, which adds marital status as a factor, which cannot justify discrimination in real estate/housing transactions. Additionally consumer protection laws, including special laws related to lending practices also address certain real estate transactions (e.g. mortgages, refinancing, pay-day loans, etc.) and expand the degree of civil protection an individual has.

Since the Fair Housing Act became law, it has been amended several times to further define and include specific rules regarding housing for older persons, persons with disabilities, architectural barriers in housing structures, and other issues. Generally,

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however, the content and intent of the Fair Housing Act remains the core principle of fairness when dealing with persons in housing transactions.

Section 109 of Title I of the Housing and Community Development Act of 1974, which created the CDBG Program, also specifically prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development Block Grant Program. Accordingly Community Development and HOME jurisdictions must also certify that they will:

“Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.”²

The Fair Housing Certification is part of the Annual Action Planning Process, which occurs each year when a jurisdiction prepares their application to HUD for CDBG and HOME funds. According to HUD's rules, an Analysis of Impediments to Fair Housing should be updated every 3 to 5 years and generally is consistent with an individual entitlement community's Consolidated Planning schedule.

The Tri-Cities HOME Consortium and the City's of Richland, Pasco and Kennewick's CDBG Programs, integrated this analysis into their process, which created the regional Tri-Cities Consolidated Community Development and Affordable Housing Plan for 2005 to 2009.

Focus Groups conducted to link citizens to the community development and affordable housing consolidated planning process also offered an opportunity for comment on Tri-Cities specific fair housing needs and general local fair housing conditions. Additional information was obtained from surveys and key informant interviews. That information has been incorporated into this analysis to provide a broader sense of the region's fair housing conditions and needs.

The general content in this Analysis of Impediment to Fair Housing includes:

- An overview of the Tri-Cities' demographic profiles including income, population attributes, economic conditions, and general housing market conditions.
- Identification of Fair Housing laws and rules
- A discussion of what constitutes fair housing violations and impediments
- Discussion of the fair housing complaint processes and investigation protocol
- Data from a variety of sources including local mortgage lending performance, complaint data, etc.
- Review of local permitting and housing codes as well as housing program rules and practices, and local government practices which impact housing.

² US Department of Housing and Urban Development, Consolidated Plan Certifications

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- Identification of specific goals and actions to address identified impediments as well as ways to affirmatively further fair housing in the area.

THE CITIES OF RICHLAND, KENNEWICK AND PASCO..... DEMOGRAPHICS

*"This is the true nature of **home** – it is the place of Peace; the shelter, not only from injury, but from all terror, doubt and division."*

– John Ruskin (1819-1900)

The Tri-Cities is a dynamic urban region in rural southeastern Washington State. It is a unique combination of three individual cities, Pasco, Richland, and Kennewick, which have a surprising level of individual diversity despite their geographic proximity. The regional area consists of 2,945 square miles of land, surrounding the Columbia River and two of its major tributaries, the Snake and the Yakima Rivers.³ The County seat of Franklin County, Pasco is the smallest of the three cities, with an estimated population of 37,580 in 2003.⁴ Across the Columbia River in Benton County are the larger cities of Kennewick, with an estimated population of 57,900, and Richland, with an estimated population of 41,650 in 2003.⁵

Richland is known for its resident scientists and technicians working in one of the country's most important nuclear research laboratories, which is also the headquarters for the cleanup efforts at the Hanford Reservation. Relative to the other two cities, Richland's housing includes fewer newer homes with most of its residential structures located in well-established 20- to 60-year-old neighborhoods. Richland has the highest median income of the Tri-Cities, but also the highest cost for purchasing a home.

Pasco is the entry-level residential growth center of the three communities. It has cooperated annexed large tracts of land for development of single-family homes for the areas' first-time homebuyer families. Growth has been so drastic that Pasco is Washington State's first ranked city for percentage of growth – it's the nation's 45th ranked city. Its majority of Hispanic residents flavor Pasco's business and residential neighborhoods.

Kennewick is the retail center for the three communities and the Tri-Cities' headquarters for shopping centers and malls. Kennewick offers extensive and affordable housing,

³ Tri-City Industrial Development Council, *Southeast Washington: The Greater Tri-Cities Area*, 2000.

⁴ Washington State Office of Financial Management.

⁵ *Ibid.*

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services and retail amenities as well as a highly educated and trained workforce. Kennewick has beautiful river-view neighborhoods, which have been targeted for revitalization.

POPULATION

The population in the Tri-Cities grew by 32% between 1990 and 2000, as did the population in the State of Washington. However, growth in each of the Tri-Cities was quite different. Richland grew by 20% in the 10-year period between the 1990 and 2000 census; Kennewick grew by 30%; and Pasco grew by a remarkable 58%.

Strong growth in the Tri-Cities has continued between 2000 and 2004. According to the Washington State Office of Financial Management (OFM) estimates, the State population grew by 5% between the 2000 census and April 2004. The population of Richland grew by 10% to reach 42,660 in April 2004. The population of Kennewick grew by 8% and that of Pasco by 27% in that four-year period.

Table 1
Population 1990, 2000 and 2004

Location	1990	2000	Change 1990-2000	April 2004	Change 2000-2004
Richland	32,315	38,708	20%	42,660	10%
Pasco	20,337	32,066	58%	40,840	27%
Kennewick	42,155	54,693	30%	58,970	8%
Tri-Cities combined	94,807	125,467	32%	142,470	13%
Benton County*	112,560	142,475	27%	155,100	9%
Franklin County**	37,473	49,347	32%	57,000	16%
State			32%		5%

*Includes Kennewick and Richland. **Includes Pasco.

Sources: US Census (1990 and 2000); Washington OFM estimates April 2004.

While the three cities are in close proximity, the Columbia River separated Pasco from Richland and Kennewick for many years. The construction of the I-182 bridge over the Columbia River in 1985 made it much more convenient for inter-city mobility for workers, families and businesses. As a result, the three cities are now much more connected. The introduction of the bridge helped shape the regional nature of the Cities' housing, employment, economic and service delivery issues.

The population in 2000 in Richland was somewhat older than in the other cities, the counties, the State and the nation. The median age of the population in Richland (37.7 years) is tied in part to a larger share of people working in scientific and technology fields, which require extended schooling. Richland also has a larger share of retirees (65 and older) than in Pasco and Kennewick. Pasco had the youngest population with a median age in 2000 of 26.6. Kennewick's median age was 32.3. Of the three cities, Pasco had the highest percentage of school-age children (under the age of 18).

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Table 2
Age of Population, 2000

Location	Age Group				Median Age
	0-17	18-44	45-64	65+	
Richland	27%	35%	25%	13%	37.7
Kennewick	30%	40%	21%	10%	32.3
Pasco	36%	40%	16%	9%	26.6
Benton County*	30%	37%	23%	10%	34.4
Franklin County**	35%	39%	18%	9%	28.0
State	26%	40%	23%	11%	35.3
US	26%	43%	19%	13%	35.3

Source: US Census.

RACE AND ETHNICITY

Richland and Kennewick make up a large percentage of Benton County, which is significantly less racially diverse, overall than Franklin County (where Pasco is located) and the United States as a whole, and slightly less diverse than the state. Benton County's Hispanic population is equal to that of the United States' at 13%, and greater than Washington State, at 8%. In Benton County, Kennewick is the most diverse, with 16% of its population identifying as Hispanic.⁶

Table 3
Population By Race And Ethnicity, 2000

Race	LOCATION						
	Pasco	Kennewick	Richland	Benton County	Franklin County	State	U.S.
White alone	53%	83%	90%	86%	62%	82%	75%
Black or African American alone	3%	1%	1%	1%	3%	3%	12%
American Indian or Alaska Native alone	1%	1%	1%	1%	1%	2%	1%
Asian or Pacific Islander alone	2%	2%	4%	2%	2%	6%	4%
Other race alone	37%	9%	2%	7%	29%	4%	6%
Two or more races	4%	3%	2%	3%	4%	4%	2%
Total*	100%	99%	100%	100%	101%	101%	100%
Ethnicity							
Hispanic (of any race)**	56%	16%	5%	13%	47%	8%	13%
* May not equal 100 percent due to rounding. ** Hispanics are counted separately under ethnicity and therefore should not be counted in race calculations Source: US Census 2000							

⁶ US Census 2000.

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While the actual overall growth in Pasco from 1990 to 2000 was 58%, the Hispanic population growth rate was much higher at 117%. From 1990 to 2000, the Tri-Cities' Hispanic population grew proportionally far more than the national Hispanic population, with a high of 131% in Kennewick (rising from 9% to 16% of its total population), and a low of 85% in Richland (rising from 3% to 5% of its population). In the US, the reported Hispanic population growth rate was 58% during the same period.⁷

These numbers illustrate the very significant changes taking place in Pasco and the surrounding Tri-Cities area. The median income for Hispanics in the Tri-Cities is significantly lower than the population as a whole, suggesting that Hispanics are in general filling lower-wage and seasonal farming jobs in the area. Pasco's Median Household Income is 35% less than that of Richland, which has a much smaller Hispanic population. Further, 23% of Pasco's population is living in poverty, as compared with Richland's 8%.⁸

Despite the traditionally low incomes of the area's Hispanic population, the number of businesses owned and operated by Hispanic persons is increasing as well as the number of new Hispanic homeowners, and even, although very slowly, a small but growing number of middle-class and upwardly mobile Hispanic professionals. This change in local regional demographics has had a companion change in economies and business conditions. All three communities show evidence of businesses working to attract new Hispanic entrepreneurs as well as customers.⁹

For the first time, the 2000 census allowed an individual to designate that they were of two or more races. In Benton County, 3% of the population identified more than one race and in Franklin County, 4% did so. Designation of ethnicity (Hispanic) remained unchanged between 1990 and 2000, but the flexibility in choice of race may have influenced peoples' identification of their own Hispanic origins as well. Over time these changes will provide a more accurate picture of diversity in all communities. In the meantime, the changes make it difficult to assess trends in race and ethnicity between 1990 and 2000 with certainty.

Table 4
Population by Race and Ethnicity, 2000

Race	Pasco	Kennewick	Richland	Benton County	Franklin County	State
White alone	53%	83%	90%	86%	62%	82%
Black/AA alone	3%	1%	1%	1%	3%	3%
Am. Indian/Ak Native alone	1%	1%	1%	1%	1%	2%
Asian/Pacific Islander alone	2%	2%	4%	2%	2%	6%
Other race alone	37%	9%	2%	7%	29%	4%
Two or more races	4%	3%	2%	3%	4%	4%
Ethnicity						
Hispanic (of any race)	56%	16%	5%	13%	47%	8%

Source: US Census.

⁷ US Census 2000.

⁸ *ibid.*

⁹ *ibid.*

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Richland had the highest percentage of people who identified their race as white alone (i.e., those who identified themselves as a single race – white), and the lowest percentage of Hispanics (just 5%). In marked comparison, over half (56%) of the population in Pasco as of the 2000 census was Hispanic (also reflected in the high percent of “other race alone”).

While the population in Richland was less diverse than the population in Pasco or Kennewick, the region as a whole has a substantial Spanish-speaking population. In Pasco, for example, the majority (54%) of the population over 5 years of age spoke a language other than English in the home, predominantly Spanish. Sixteen percent of the population over 5 years of age in Kennewick and 10% in Richland spoke a language other than English in the home – about 33% of those spoke Spanish and 42% another Indo-European language.

The census also tracks “linguistic isolation” which is defined as every person 14 years of age and older in a household that has at least some difficulty with English. This was true of just 1% of the households in Richland, but 17% of the households in Pasco and 4% of the households in Kennewick. This speaks to the importance of translating materials into at least Spanish and having interpreters available in the community for those who are non-readers in their own language.

HOUSEHOLDS

Richland and Kennewick were close to the State in their percentage of family households (68% in Kennewick, 69% in Richland, and 66% in the State). A larger percentage (75%) of households in Pasco were family households and a larger percentage were family households with children than in the other jurisdictions as shown in Table 4.

Table 5
Family and Non-Family Households, 2000

Households	Pasco	Kennewick	Richland	Benton County	Franklin County	State
Family	75%	68%	69%	78%	72%	66%
with own children <18	46%	38%	34%	45%	38%	33%
Non-family	25%	32%	31%	22%	28%	34%

Source: US Census.

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EMPLOYMENT

The major employers in the Tri-Cities MSA in 2002 are shown in Table 6. Hanford accounts for a sizable portion of the economy and generally has higher-paying technical and scientific positions. The number of scientific positions will begin to decline as clean-up operations at the Hanford Nuclear Waste facilities are completed in the coming decades. The Tri-Cities are hoping to attract and develop a variety of diversified industries as well as additional scientific and technical industries as part of their economic development efforts.

Agriculture is another important economic sector in Benton and Franklin Counties. In 2002, there were 10,635 people employed in agriculture in the two counties, comprising 11% of the total employment and 12% of the total agricultural employment in Washington State. The primary crop in the area is wheat, which is heavily capital-intensive, and requires a small number of workers. Apples were the top-employing crop with seasonal farm employment averaging 1,691 workers in 2002. Asparagus was the second largest with 664 workers, and grapes third with 568.¹⁰

The Tri-Cities MSA had 35% less high-paying manufacturing jobs than the State average in 2003 and the majority of the area's manufacturing jobs were in food processing/manufacturing.¹¹ As of April 2004 (according to estimates prepared by Washington State Department of Labor and Industry, Labor Market and Economic Analysis Branch), goods production in Tri-cities MSA accounted for 13% of jobs (manufacturing, construction, mining, natural resources). Service-producing jobs accounted for the other 87%, the largest of which were: retail trade (11%); professional, scientific, and technical services (12%); educational and health services (10%); waste treatment (11%); and state and local government (11%).

Table 6
Major Employers in Tri-Cities MSA, 2002

Employer	Employees	Type of Business
Flour Hanford, Inc.	3,787	Government contractor
Battelle Pacific NW National Lab	3,500	Research facility
Kennewick School District	2,000	Education
Durateck, Inc.	1,800	Engineering services
Lamb-Weston	1,800	Food processing
Iowa Beef Processing, Inc./IBP	1,450	Beef processing
CH2M Hill Hanford Group Inc./CHG	1,240	Government contractor
Energy Northwest	1,020	Wholesale electric utility
Pasco School District	1,000	Public school district
Richland School District	981	Public school district
Fluor Federal Services	850	Government contractor
Bechtel, Waste Treatment Plant Project	800	Government contractor
Framatome ANP/Richland	750	Manufacture/nuclear fuel fabrication
Lourdes Health Network	747	Hospital

¹⁰ Washington State Employment Sector, *Agricultural Workforce in Washington State, 2002*.

¹¹ Washington State Labor Area Summary, 2003.

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Kadlec Medical Center	684	Hospital
Bechtel Hanford Inc./BHI	615	Government contractor
Lockheed Martin	519	Information technology services
Benton County	500	County government
Boise Cascade Corp., Paper Div.	500	Manufacturer of pulp and paper
Kennewick General Hospital	500	Hospital
J.R. Simplot Company	500	Vegetable processor
Twin City Foods, Inc.	450	Potato processor
City of Richland	444	Full service city government
U.S. Department of Energy	416	Government agency
AgriNorthwest	400	Agricultural produce services
Source: Tri-City Industrial Development Council		

In 2003 the unemployment rate (not seasonally adjusted) in Richland was 6.0%, which was the lowest rate of the Tri-Cities. Unemployment in Pasco in 2003 was substantially higher than Kennewick and Richland, probably largely due to the high number of seasonal farm workers and food process workers in the area. In 2003, the unemployment rate in Washington State was 7.5%, and 13.2% in Pasco. This rate was also considerably above that in Kennewick (8.3%).

The Tri-Cities employment data matches demographic profiles for workers' educational level, age, income and the types of jobs in each community. Scientific jobs with higher educational requirements match to an increase in prime worker ages (due to longer educational requirements), higher education, and more income. The core employers in each city help to define many of the economic differences between the cities.

Table #7
Highest Education Levels, 2000

Highest Education Level Attained	Location						
	Pasco	Kennewick	Richland	Benton County	Franklin County	WA	U.S.
No High School Diploma or Equivalency	44%	17%	7%	15%	37%	13%	20%
High School Diploma or Equivalency	22%	25%	20%	24%	24%	25%	29%
Some College	18%	26%	25%	25%	20%	26%	21%
Associate Degree	6%	10%	9%	10%	7%	8%	6%
Bachelor's Degree	7%	15%	23%	17%	9%	18%	16%
Master's Degree or Above	4%	7%	16%	10%	5%	9%	9%
Source: US Census 2000							

According to the Bureau of Labor Statistics, education levels are proportional to both unemployment rates and median weekly earnings. While the unemployment rate in the U.S. for a high school dropout was 7.3% in 2001, the rate for persons with high school

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diplomas was 4.2%, and 2.5% for those with a Bachelor's Degree. Only 2.1% of persons with a Master's Degree and 1.1% with a Doctoral Degree were unemployed. Furthermore, for all college level degrees from an Associates of Art's Degree to a Doctoral degree, earnings exceed the median wage.¹² In 1996, those without a high school diploma or equivalency earned 60% less than those with some college, and significantly less than those with a Bachelor's Degree.¹³

Table # 8
U.S. Median Weekly Earnings By Highest Level of Educational Attainment, 1996

Highest Education Level Attained	Median Weekly Earnings*
High School Dropout	\$317
High School Graduate	\$443
Some College	\$504
Associates Degree	\$556
Bachelor's Degree	\$697
Master's Degree	\$874
Doctoral Degree	\$1,088
*Based on those 25 years and over working full-time. Source: Bureau of Labor Statistics	

INCOME

Median household, median family and per capita income in 2000 were all substantially higher in Richland than in the other jurisdictions, as shown in Table 9. All measures in Richland were above the State in 2000 as well. The economic and job conditions are different within each of the Tri-Cities, as discussed above. This is reflected in the difference in income measures in each city. However, between 1989 and 1999, Pasco realized the largest gains in median household income, with an increase of 93% in that 10-year period. Median household income in Kennewick and Richland grew at rates similar to the State's. The median household income in Kennewick increased by 46%, and in Richland by 45%, while in the State's grew by 47%.

In part, due to its higher education levels (as hypothesized by some economists), Washington has a higher median household income than that of the nation. Again, Richland surpassed the state in 2000 by 16%, with a median household income of \$53,092. Pasco's median household income by contrast, was 25% less than the state, at only \$34,540. Its per capita income was only \$13,404, which is 42% less than the state.

¹² The Value of a College Degree, OLMIS, 1998.

¹³ Bureau of Labor Statistics, 1996.

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Kennewick's per capita income was 12% less than the state, while Richland's was 11% more than the state.¹⁴

Table 9
Income Measures, 1999

Income Measure	Richland	Kennewick	Pasco	Benton County	Franklin County	State
Median household	\$53,092	\$41,213	\$34,540	\$47,044	\$38,991	\$45,776
Median family	\$61,482	\$50,011	\$37,342	\$54,146	\$41,967	\$53,760
Per capita	\$25,494	\$20,152	\$13,404	\$21,301	\$15,459	\$22,973

Source: US Census

Poverty levels are another measurement of incomes. The federal government establishes the Poverty Level and generally it is much lower than an area's median household incomes. The definition for the federal poverty level is:

A dollar amount, by area and household size, which is a computation of the Federal Government's statistical poverty thresholds used by the Census Bureau to prepare its statistical estimates of the number of persons and families in poverty. The poverty guidelines issued by the Department of Health and Human Services are used for administrative purposes — for instance, for determining whether a person or family is financially eligible for assistance or services under a particular federal program. Poverty levels are recomputed each year.

For consistency sake, the 1999 poverty levels which match the census population data, are listed below:

Size of Family	48 Contiguous	Alaska	Hawaii
1	\$ 8,350	\$10,430	\$ 9,590
3	14,150	17,690	16,270
4	17,050	21,320	19,610
5	19,950	24,950	22,950
6	22,850	28,580	26,290
7	25,750	32,210	29,630
8	28,650	35,840	32,970

For each additional person, add	2,900	3,630	3,340
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SOURCE: *Federal Register*, Vol. 64, No. 52, March 18, 1999, pp. 13428-13430.

¹⁴ US Census 1990, 2000.

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Table 10 shows the Tri-Cities' population at or below the federal poverty level in 1999. Official poverty estimates are based on a set of national thresholds first established in 1963-64 based on U.S. Department of Agriculture food budgets.

Table 10
Population at or below Poverty, 1999

Population	Pasco	Kennewick	Richland	Benton County	Franklin County	State
Individuals	23%	13%	8%	10%	19%	11%
Individuals 65+	10%	9%	6%	7%	8%	8%
Families	20%	10%	6%	8%	16%	7%
Families with children <18	27%	15%	9%	12%	22%	11%
Families with children <5	34%	24%	13%	18%	30%	15%
Females alone with children <18	55%	37%	26%	32%	53%	31%
Females alone with children <5	67%	56%	43%	51%	65%	46%
Households	21%	11%	8%	9%	17%	10%

Source: US Census

Twenty-one percent of Pasco's residents were living in poverty in 2000 (\$16,700 income for a family of four), compared to 11% in Kennewick and 8% in Richland. The highest percentage of the population living in poverty is female householders living alone with children under five: sixty-seven percent (67%) of these households were living in poverty in Pasco in 2000. One third of families with children under five are living in poverty in Pasco, while one quarter are living in poverty in Kennewick, far more than the state's average of 15%.¹⁵

HOUSING

In 2000, the majority (70%) of housing units in Richland were single family, 25% multifamily and 5% mobile homes or other (e.g., vans and RVs). The percent of single-family homes was higher than the State's, although the share of multifamily housing was comparable. However, compared to Pasco and Kennewick, Richland had a substantial greater percent of single-family housing. Richland had a substantially greater age of single family housing, which can affect both housing costs and tenure.

In 2000, the majority (56%) of housing units in Kennewick were single family, 34% multifamily and 9% mobile homes or other (e.g., vans and RVs). The percent of single-family homes was lower than the State and the share of multifamily housing higher. Kennewick was close to Pasco in housing types.

In 2000, the majority (56%) of housing units in the City of Pasco were single-family, 30% multifamily and 13% mobile homes or other (e.g., vans and RVs). There was a

¹⁵ US Census 2000.

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smaller percentage of single-family units in Pasco than in the State and a larger share of mobile homes.

Table 11
Housing Units by Type, 2000

Housing	Pasco	Kennewick	Richland	Benton County	Franklin County	State
Single family	56%	56%	70%	63%	59%	65%
Multifamily	30%	34%	25%	23%	22%	26%
2-4 units	13%	10%	8%	8%	9%	7%
5-9 units	5%	6%	3%	4%	4%	5%
10+ units	13%	18%	13%	12%	9%	14%
Mobile homes, other	13%	9%	5%	14%	19%	9%

Source: US Census

HOUSING TENURE

The tenure of households in occupied units is shown below in Table 12. The same percentage of units was owner-occupied in Pasco and Kennewick (60%). Richland was closer to the State at 66% owner-occupancy. Table 12 also shows the number of households in each of the Tri-Cities and the counties as of the 2000 census. The average household size in Richland matches the State (2.5 persons per household), which is smaller than households in Kennewick (2.6 persons) and Pasco (3.3 persons).

Table 12
Tenure of Occupied Units, 2000

Housing	Pasco	Kennewick	Richland	Benton County	Franklin County	State
Owner-occupied	60%	60%	66%	69%	66%	65%
Renter-occupied	40%	40%	34%	31%	34%	35%
Occupied units	9,619	20,786	15,549	52,866	14,840	
Average household size	3.3	2.6	2.5	2.7	3.3	2.5

Source: US Census

Differences in tenure are generally related to household income. Households with higher incomes are more able to purchase single-family homes than those with lower incomes. The median household income for households living in units they owned or were buying was \$64,875 in Richland as of the 2000 census, compared to \$33,328 for households living in rental units.

The median household income for households living in units they owned or were buying was \$46,187 in Pasco as of the 2000 census, compared to \$18,937 for households living in rental units.

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The median household income for households living in units they owned or were buying was \$54,861 in Kennewick as of the 2000 census, compared to \$25,992 for households living in rental units.

Table 13
Median Household Income by Tenure, 2000

Housing	Pasco	Kennewick	Richland	Benton County	Franklin County	State
Owner-occupied	\$46,187	\$54,861	\$64,875	\$57,353	\$49,175	\$56,307
Renter-occupied	\$18,937	\$25,992	\$33,328	\$29,217	\$21,361	\$29,853

Differences in tenure by race and ethnicity were also linked to household income. For example, in Richland in 1999 the median income for white householders was \$52,779 compared to the median income for Hispanic householders of \$45,707. The median income for households with a Hispanic householder was 16% lower in Richland than for households with a white householder. The median household income in Richland was quite a bit higher for white alone and Hispanic householders than that in Pasco and Kennewick and the disparity was smaller (16%) than in Pasco and Kennewick, where the difference in median income between white alone householders and Hispanic householders was between 30% and 34%.

HOUSING COSTS

A major issue facing most communities in the US is that increasing housing costs have been exceeding the increases in household income. Households in the Tri-Cities are also faced with this problem. ***Affordable Housing*** is defined as housing that costs less than 30% of a lower income household's income. Housing costs include rent or mortgage and basic utilities (trash collection, heating, cooking, electricity, water, and provision of a refrigerator and stove). Households are considered ***Housing Cost Burdened*** if they pay more than 30% of their total income for housing and housing costs.

The HUD CHAS Tables (can be found in the Appendix of the Consolidated Plan) provide data that describe year 2000 affordability and housing-cost burden conditions for owners and renters. They provide a wealth of information in determining how many households in each community are cost-burdened, at various levels of income. The affordability formula becomes impossible for many households at the lowest income levels, particularly for extremely low- (households at 30% of MFI) and very-low (50% of MFI) incomes. A disposable balance of 70% of their income is such a small amount of money, that households at the very and extremely low-income level cannot always afford even 30% of their income for housing.

Owners are generally considered cost burdened when they pay more than 30% of their monthly income for mortgage principal, interest, property taxes, insurance and basic utilities. According to HUD CHAS data, 61.5% of extremely low-income homeowners in the Tri-Cities in 2000 were cost burdened.

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Renters are considered cost burdened when their rent plus basic utilities exceeds 30% of monthly income. A total of 53% of Tri-Cities renter households that have incomes of less than 50% of median income, are paying more than 30% of their income for rental housing. The corresponding percentages for the individual cities are: Richland (54%), Kennewick (53%) and Pasco (50%).

Housing values and costs determined by the 2000 census are shown in Table 11.

Table 14
Housing Costs, 2000

Housing	Pasco	Kennewick	Richland	Benton County	Franklin County	State
Median value, owner-occupied	\$93,000	\$113,500	\$128,400	\$119,900	\$102,000	\$168,300
Median owner costs						
With mortgage	\$878	\$994	\$1,113	\$1,053	\$931	\$1,268
Without mortgage	\$278	\$294	\$324	\$304	\$292	\$338
Median Gross Rent	\$466	\$541	\$619	\$566	\$464	\$663
Owner costs >30% income*	19%	18%	12%	16%	18%	26%
Renter costs >30% income*	41%	36%	33%	33%	36%	39%

*Selected costs.

Source: US Census

Between the census and mid-2004, 1,264 permits for new single-family units have been issued in Richland, which is an increase of 12% over the 10,329 detached single-family units in the 2000 census. The average construction cost for new permits in 2004 was \$227,330, which will translate into considerably higher costs to buyers of those units. There were also permits issued between 2000 and 2004 for 229 additional units of multifamily housing in Richland, as well as 12 units of attached single family housing and 130 permits for other housing.

Kennewick issued 1,179 permits for new single-family units during the same period, which is an increase of 10% over the 11,747 detached single-family units in the 2000 census. The average construction cost for new permits in 2004 in Kennewick was \$177,200, which will translate into considerably higher costs to buyers of those units.

Since the census, Pasco has issued 2,514 permits for construction of new single-family units. Additionally annexation has added new units since the 2000 census. The average construction cost for new permits in Pasco in 2004 was \$129,700, which will translate into considerably higher costs to current buyers than estimated affordable rates in the 2000 census. The new units represent a 45% increase in single family housing over the 5,557 single-family units counted by the census in Pasco. There were also permits issued between 2000 and 2004 for 798 additional units of multifamily housing in Pasco.

The housing wage for the Tri-Cities MSA was \$14.23 in 2003. The housing wage is the per hour wage needed by a full-time worker in order to afford a two-bedroom rental unit at local fair market rents. In the Tri-Cities, fair market rents are 203% above what a household working at the minimum wage of \$7.01 per hour can afford. Working at

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minimum wage, a person would have had to work 81 hours per week to be able to afford rent for a two-bedroom unit in the Tri-Cities, let alone the higher costs of owning a home.¹⁶ That figure helps to explain local housing conditions that include households with both parents working, parents with a second job, and overcrowded conditions in rental units.

The annual income needed for a family of four to afford the fair market rates for a three-bedroom rental in the Tri-Cities MSA is \$41,240 in 2003. In that year, 48% of all Tri-Cities renters were unable to afford even a two-bedroom unit at fair market rates. Fair Market Rents in 2004 are provided below in Table 15.

Table 15
HUD Fair Market Rents, 2004

1-bdrm	2-bdrm	3-bdrm	4-bdrm
\$618	\$740	\$1031	\$1,209

The cost of housing is a significant burden to extremely low, very-low and low-income households. According to data in the CHAS tables for Richland, 78% of households with incomes at or below 30% of area median were burdened by housing costs or had other housing problems (such as overcrowding); 67% of households with incomes between 31% and 50% of area median income had housing problems; and, 36% of households with incomes between 51% and 80% of area median income had housing problems.

CHAS data for Kennewick reports 80% of households with incomes at or below 30% of area median were burdened by housing costs or had other housing problems (such as overcrowding); 68% of households with incomes between 31% and 50% of area median income had housing problems; and, 34% of households with incomes between 51% and 80% of area median income had housing problems.

Pasco's CHAS reports that 77% of households with incomes at or below 30% of area median were burdened by housing costs or had other housing problems (such as overcrowding); 68% of households with incomes between 31% and 50% of area median income had housing problems; and, 47% of households with incomes between 51% and 80% of area median income had housing problems.

HOUSING NEEDS FOR PERSONS WITH SPECIAL NEEDS

Generally all of the categories of persons with special needs, which will be discussed below, share some common housing issues. Most need information and assistance regarding:

¹⁶ National Low Income Housing Coalition, Out of Reach 2003.

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- Obtaining fair housing choice,
- Affordable units that fit their particular physical access or location needs,
- A range of supportive services attached to housing, (which may include light assistance, or intensive medical or nursing supervision),
- Occasional chore services,
- Assistance with paying for access modifications, repairs and even regular maintenance for some owner-occupants,
- Some persons with special needs, despite their often extremely low income report the desire to buy their own home,
- Rent assistance
- Obtaining sufficient income to access housing.

HOUSING NEEDS OF PERSONS WITH PHYSICAL DISABILITIES

Washington State Department of Health reports that Benton County (including the Cities of Richland and Kennewick) ranked 7th (1 being the lowest ranking and 37 being the highest) among all counties with a 21% incidence of disability. Among Benton County's population, 10.4% had a severe physical disability and another 1.7 % has self-care limitations. Franklin County (including the City of Pasco) is ranked as 16th with its 22.9% incidence of disability. Franklin County has 11.9% severely disabled residents and 2% that have self-care limitations. All three cities have a total of 1,861 disabled children, 6,732 adults, and 2,142 disabled over 64 years of age. Priority needs for disabled persons include rental assistance, a range of permanent supportive and independent housing options, and other quality of life supports.

HOUSING NEEDS OF VICTIMS OF DOMESTIC VIOLENCE

In Washington one out of every five women reports that they have been injured by domestic violence at sometime during her life. Poor, elderly and disabled women suffer a greater percentage of incidents of domestic violence. Domestic violence that ends in death does not always mean the death of the woman who is the target of an abuser; it also includes males who are killed by female victims defending themselves or male partners, police officers killed while trying to help, neighbors, friends, new husbands, in-laws, and others.¹⁷ Since 1997 when data began to be collected, abusers have killed 209 people in Washington.

410 arrests for domestic violence were made in 2002 in Benton County. Those arrests involved 892 offenses. In Franklin County in the same year there were 297 arrests for 397 offenses. With the exception of a few drops in 2001 and 1996 data, domestic violence arrests have risen each year since 1991.

¹⁷ Department of Health Report on Domestic Violence.

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Victims of domestic violence need affordable transitional and permanent housing, secure and safe emergency shelter, and assistance with obtaining permanent affordable housing and other family assistance.

HOUSING NEEDS FOR PERSONS WITH HIV/AIDS

In 2003 the United States had over 1 million cases of HIV/AIDS with 44,000 persons newly infected that year. Many in the medical and political communities consider HIV/AIDS the number one health issue in the world.¹⁸ HIV and AIDS are two different conditions: while those who have HIV may not contract AIDS, everyone with AIDS has already contracted HIV.

In 2004, Benton County had a cumulative history of 21 reported cases of HIV and another 80 reported cases of AIDS.¹⁹ Of those numbers, 20 of the persons with HIV and 43 with AIDS are presumed to be alive and living with the diseases. Franklin County records a total history of 17 persons with HIV and 44 with AIDS. Of those persons, 16 with HIV and 31 with AIDS are alive.

Persons with HIV/AIDS need help with a range of housing options including supportive housing, independent units, rent assistance, emergency shelter, and other supports.

HOUSING NEEDS FOR PERSONS WITH DRUG AND ALCOHOL DEPENDENCY

Benton and Franklin Counties provided police intervention in the year 2002 for 2,068 crimes committed by adults using alcohol and/or drugs and 552 children committing crimes related to use of drugs or alcohol. The numbers have continuously increased each year since data reports began in 1991.

The priority needs for persons with alcoholism and drug addictions is affordable transitional and permanent housing, particularly for lower-income chemically dependent persons. For persons with co-occurring disorders of alcoholism or drug addiction and mental illness, assisted housing may be a long-term necessity to ensure that both conditions are treated. This group is the most likely group to be chronically homeless as well as the hardest group to help to recovery.

HOUSING NEEDS FOR PERSONS WITH SERIOUS MENTAL ILLNESS

The Surgeon General of the United States defines mental illness as a term that refers collectively to all of the diagnosable mental disorders. Mental disorders are characterized by abnormalities in cognition, emotion or mood, and aspects of behavior, such as social interactions or planning of future activities.

¹⁸ Kaiser Family Foundation HIV/AIDS Policy Fact Sheet, 2004.

¹⁹ Washington State's HIV/AIDS Surveillance Report, September 2004.

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In 2002 Benton County had 2,149 adults (aged 18 to 64), 156 elderly (aged over 65 years), and 981 children and youth (birth through 17) who were diagnosed as mentally ill and receiving services funded by the Division of Mental Health (DMH). In Franklin County during the same year: 716 adults, 56 elderly, and 396 children had mental illness and received DMH funded services.

Affordable stable and appropriate housing is essential. Some of the more seriously mentally ill persons and those with co-occurring disorders frequently need assisted housing. Supervised transitional housing and permanent supportive housing is a need for some who are returning to their community from an institution. Additional needs include access Medicaid (for needed supplemental income, as well as medical insurance which pays for housing supportive services), and help with finding permanent housing.

HOUSING NEEDS FOR HOMELESS PERSONS

There were an estimated 400 homeless families and another 700 homeless singles in the Tri-Cities in 2003. One-half of all homeless were children. In addition to an inability to pay the high cost of rent or mortgages, many homeless in the area cite mental illness or substance abuse among the reasons for their homelessness. Their needs range from affordable housing, to shelter and transitional beds, permanent supportive units, and to intensive client-specific supportive services.

The *Benton-Franklin Counties Continuum of Care Plan (2005-2009)* discusses the causes cited for homelessness:

An underlying factor is that persons with low-incomes are unable to cope with the cost of living in spite of the fact that the area has enjoyed a strong economic and population growth, expansion of jobs and significant new housing construction. The root of the problem lies in the uneven way the economy has dealt with persons who are economically at risk. From 1998 to 2003, incomes in the two counties increased by 37% (a pace above the State average) yet the number of persons in poverty increased by 53% in the same period to almost 32,000. Financial instability caused by a lack of living wage jobs and the impact of high housing costs, is major contributing factors.

HOUSING NEEDS FOR PERSONS WITH DISABILITIES

--- May include some duplication of categories of persons previously listed

Persons with disabilities can be faced with both a cost-burden and need to have accommodations, depending on their disability, to live comfortably in their homes. For those with incomes limited to that provided by SSI alone (a major income source for the majority of persons with disabilities), the cost burden is prohibitive. Monthly SSI

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payments in the Tri-Cities MSA in 2002 averaged \$550.45. Just to pay for a one-bedroom rental, a person receiving SSI benefits would need 110% of their SSI income in 2002.²⁰

The numbers of persons identified as disabled in the 2000 census are identified in Table 16, 17 and 18.

Table 16
Persons with Disabilities, Richland, 2000

Age	Male	Female	Total
16-20	170	139	309
21-64	1,391	1,668	3,059
65-74	333	371	704
75+	403	774	1,177
Total	2,297	2,952	5,249

Source: US Census.

Table 17
Persons with Disabilities, Kennewick, 2000

Age	Male	Female	Total
16-20	375	333	708
21-64	2,965	2,660	5,625
65-74	414	489	903
75+	461	937	1,398
Total	4,215	4,419	8,634

Source: US Census.

Table 18
Persons with Disabilities, Pasco, 2000

Age	Male	Female	Total
16-20	301	297	598
21-64	2,376	1,975	4,351
65-74	286	267	553
75+	245	388	633
Total	3,208	2,927	6,135

Source: US Census.

Many disabled persons are also extremely (less than 30% of MFI) and very-low income (less than 50% of MFI). Lack of gainful employment is a significant barrier to disabled persons' ability to increase their income. Generally few can afford to pay even affordable rents. Housing needs include permanent supportive housing for those persons with significant or multiple disabling conditions, transitional housing for persons leaving hospitals or other care facilities, and permanent affordable and accessible housing units for long-term needs.

²⁰ Priced Out in 2002.

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HOUSING NEEDS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

The Tri-Cities had a total of 1,578 persons with developmental disabilities (DD) in 2004. The largest groups of DD persons are children and youth (0 to 17 years of age), with an area total of 949. Most adults within the developmentally disabled community receive SSI as their total income, which significantly reduces the amount they can spend on housing. As with many disabled persons, they need rental assistance, permanent supportive housing units as well as affordable independent units, or tenant-support type housing programs.

HOUSING NEEDS OF THE ELDERLY

In 2004, there were approximately 13,311 persons over the age of 65 in the Tri-Cities. The number of persons over age 65 is growing at a rate of about 13% a year, and the group, as a whole is getting older. Most live in their own homes or in independent senior housing. A new and increasing trend is that of grandparents of all ages taking on primary caregivers (parents) for their school-aged grandchildren. Locally, 911 grandparents held primary responsibility for their grandchildren.

The housing needs for elderly range from assistance with special assessments, rent assistance, supportive housing, intensive health-care facilities, and affordable family units for those with children in residence.

FAIR HOUSING LAWS

FEDERAL LAWS

Title VIII of the Civil Rights Act of 1968, as amended, (the Fair Housing Act) prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions, based on:

- Race or color
- National origin
- Religion
- Sex
- Familial status, including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under age 18
- Handicap (disability)

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The Fair Housing Act covers most types of housing.²¹ In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

In the **sale and rental of housing**: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In **mortgage lending**: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

In addition, it is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

Additional protections for **persons with disabilities**: The landlord may not refuse:

- Reasonable modifications to the dwelling or common use areas, at the tenant's expense and where the unit can be restored to the original condition, or

²¹ This discussion is taken directly from the HUD publication in 2002, *Fair Housing: Equal Opportunity for All*. (www.hud.gov/fairhousing)

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- Reasonable accommodations in rules, policies, practices or services, if necessary for the disabled person to use the property,
- Buildings constructed after March 1991 are subject to accommodation requirements, depending on the number of units and presence of an elevator.

Familial status is protected unless the building or community qualifies as housing for older persons, that is:

- Specifically designed for and occupied by elderly persons under a federal, state or local government program
- Occupied solely by persons who are 62 or older, or
- Houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

WASHINGTON STATE FAIR HOUSING LAW

Washington State has adopted a fair housing law, which is substantially equivalent to federal law and extends protection to the same populations. In addition it extends protection on the basis of marital status.

With respect to real estate transactions, facilities, or services it is unfair to discriminate against any person due to sex, marital status, race, creed, color, national origin, families with children status, the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a disabled person. (WA ST § 49.60.222)

HOW ARE THE FEDERAL FAIR HOUSING ACT AND OTHER RELATED LAWS ENFORCED?

The U.S. Department of Housing and Urban Development (HUD) has been given the authority and responsibility for administering this law. This authority includes:

- Handling of complaints
- Engaging in conciliation
- Monitoring conciliation
- Protecting individual's rights regarding public disclosure of information,
- Authorizing prompt judicial action when necessary
- Referral to the State or local proceedings whenever a complaint alleges a discriminatory housing practice

The US Department of Housing and Urban Development (HUD) has two offices that interface with the jurisdictions regarding this AI, as well as in regard to reviewing for

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compliance and/or enforcing Fair Housing Act. Both the Office of Community Planning and Development (CPD) and the Office of Fair Housing and Equal Opportunities (FHEO) will carry out established authority and responsibilities in regard to a jurisdiction's requirements to comply with the Fair Housing Act and mandate to affirmatively further fair housing.

- HUD's Seattle, Region X Community Planning and Development Office (CPD) has overall responsibility for management of CDBG and HOME grantees and their performance. CPD, Seattle is the primary contact for the Tri-Cities CDBG and HOME Program. CPD is responsible for review of required documents and processes including the Consolidated Plan. Generally CPD defers review and acceptance of a community's Analysis of Impediments to Fair Housing to HUD's EEOC office.

Office Of Community Planning and Development

U.S. Department of Housing and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 200
Seattle, Washington 98104-1000
(206) 220-5101

- HUD's Seattle District Office of Fair Housing and Equal Opportunity (FHEO) will review this AI and determine if it is complete and accomplishes the intent of fair housing planning. The Office also provides a variety of other services including being the contact for fair housing violation complaints, public education needs, investigation of complaints, etc.

Office of Fair Housing and Equal Opportunity

Fair Housing Hub
U.S. Department of Housing and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 205
Seattle, Washington 98104-1000
(206) 220-5170
1-800-877-0246
TTY (206) 220-5185

ENFORCEMENT OF WASHINGTON STATE'S FAIR HOUSING AND OTHER RELATED LAWS

The Washington State Human Rights Commission has a cooperative agreement with the Department of Housing and Urban Development to process and investigate dually filed

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housing complaints for which the Commission receives funding under the federal Fair Housing Assistance Program (FHAP). Most of the Commission's housing cases are dually filed with HUD – the exceptions are cases covered under State law but not covered under federal law.

“The mission of the Washington State Human Rights Commission is to eliminate and prevent discrimination through the fair application of the law, the efficient use of resources, and the establishment of productive partnerships in the community.

The Washington State Human Rights Commission (Commission) enforces the Law Against Discrimination (RCW 49.60). The Commission works to prevent and eliminate discrimination by investigating human rights complaints and providing education and training opportunities throughout the state.”²²

Washington State also has a **Consumer Services Department** to ensure that consumer and business transactions are carried out in a fair and non-discriminatory manner. This Department also plays a role in regard to regulating the actions of consumer loan companies, mortgage brokers, money transmitters and currency exchangers, as well as check cashers and sellers, also known as "payday lenders." The Department of Financial Institutions is an additional complaint-reporting path for individuals discriminated against in mortgage transactions.

Department of Financial Institutions
Division of Consumer Services
Attention: Complaints
PO BOX 41200
Olympia, WA 98504

and

Office of the Attorney General
(see Regional Consumer Resource Centers)
1125 Washington St. SE
Olympia, WA 98504-0100
Toll free: 1-800-551-4636
Web site: www.atg.wa.gov/

“City, county and state consumer protection offices provide consumers with important services. They might mediate complaints, conduct investigations, prosecute offenders of consumer laws, license and regulate a variety of professionals, promote strong consumer protection legislation, provide educational materials and advocate in the consumer interest.”²³ In particular, with the increase in reported cases of predatory lending practices related to home sales, refinancing, rehabilitation loans and other real estate

²² Access Washington, Human Rights Commission Homepage

²³ The Washington State Attorney General's Office

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transactions the State consumer protection organizations are serving a vital role in protecting consumers and educating the general public.

Local Tri-Cities-based and other eastern Washington partners in the protection of Fair Housing rights (both federal and state), housing choice, and related consumer protection include:

Kennewick Consumer Resource Center (Southeast Washington)

Office of the Attorney General

500 N. Morain St., Suite 1250

Kennewick, WA 99336-2607

509-734-7140

Toll free: 1-800-551-4636

Fax: 509-734-7475

Web site: www.atg.wa.gov

Another partner in promoting fair housing and housing choice is the Northwest Fair Housing Alliance. It is a non-profit fair housing organization, which operates in Eastern Washington and receives funding under the Federal Fair Housing Initiatives Program (FHIP) to provide education at the local level to the housing industry and potential victims of housing discrimination. They may also be funded to provide testing or to substantiate claims of discrimination. Northwest Fair Housing alliance is located in Spokane and provides outreach to the Tri-Cities area.

Northwest Fair Housing Alliance

1-800-200-FAIR (3247)

509-838-4710

35 West Main

Spokane, WA 99201

DEFINITIONS AND DESCRIPTIONS OF IMPEDIMENTS TO FAIR HOUSING²⁴

The Fair Housing Act, its amendments, and ensuing case law, as well as various Executive Orders, technical program rules and other laws and regulations have defined actions which are considered to be impediments to an individual or households from obtaining their fair housing rights and fair housing choice. Impediments include:

²⁴ U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Fair Housing Planning Guide, Volume 1*.

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- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice.
- Any actions, omissions, or decisions that have this effect.

Impediments to fair housing choice include actions that:

- Constitute violations, or potential violations, of the Fair Housing Act.
- Are counterproductive to fair housing choice, such as:
 - ~ Community resistance when minorities, persons with disabilities and/or low-income persons first move into white and/or moderate- to high-income areas.
 - ~ Community resistance to the siting of housing facilities for persons with disabilities because of the persons who will occupy the housing.
- Have the effect of restricting housing opportunities on the basis of race, color, religion, sex, disability, familial status, or national origin.

An additional related problem, which is a barrier to individuals obtaining and sustaining fair housing, and housing choice is “*predatory lending*”. Predatory lending is a growing problem in many areas in the US and has become a priority issue for HUD, as well as local CDBG and HOME jurisdictions, affordable housing advocates, and lower-income homeowners in particular. The Tri-Cities area has also identified predatory lending as a problem, which needs addressing through public information and increased awareness about prevention as well as complaint processes.

Predatory lending is loan fraud, which can be committed by mortgage lenders, home appraisers, construction contractors, real estate agents, home inspectors, or other real estate professionals working with customers who are trying to buy a home, obtain re-financing, or make improvements on their home. Predatory lenders use a variety of unethical and illegal techniques which make them a lot of money and at the same time may cause homeowners to lose their chance to buy a desired home, lose the equity in their current homes, face foreclosure, or force them to sell their homes when they are unable to make loan payments²⁵.

Predatory lenders use the following illegal and unethical practices:

- Having borrowers make false statements about their income in order to get a loan,
- Purposely making higher loans than borrowers can afford to make payments on,
- Charging high interest rates based on factors other than credit history such as a borrower’s race or national origin,

²⁵ Washington State Attorney General's Office

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- Pressuring borrowers to assume higher risk loans that may have balloon payments, pay only on the loan's interest, or have steep penalties for pre-payments,
 - Processing loans based on inflated appraisals to artificially increase the value of a home beyond its actual market/resale value,
 - Using a variety of techniques, including second and third mortgages, "silent" real estate contracts and other methods to "help" the borrower pass loan-underwriting standards, or obtain down-payment money,
 - Persuading borrowers to obtain refinancing multiple times which decreases the investment equity they might otherwise obtain from their homes,
 - Enticing borrowers to obtain a mortgage for more than the current market (appraised) value of their home,
 - Other techniques that when in force put the homebuyer or other borrower at risk.
-

"When the world seems large and complex, we need to remember that great world ideals all begin in some home neighborhood."

~ Konrad Adenauer (1876-1967)

FAIR HOUSING COMPLAINTS

The Department of Housing and Urban Development (HUD) has the responsibility to enforce the Fair Housing Act. Complaints that are filed may be investigated directly by HUD or may be investigated and processed by the Washington State Human Rights Commission, the State Attorney General or other designated fair housing enforcement entity. The Human Rights Commission has separate jurisdiction over claims of discrimination covered under state law, but not covered under federal law.

Generally all of the organizations will either accept a complaint or ensure that the person or household is connected to the correct investigative entity, based on the nature of the fair housing or housing choice (or consumer) complaint. Access locations for complaints include:

- HUD FHEO, Fair Housing HUB in Seattle
- HUD CPD, in Seattle
- HUD, Spokane Field Office
- HUD maintains a Fair Housing web site at www.hud.gov that has an electronic system for filing fair housing complaints via computer.
- The WA State Human Rights Commission, in Olympia
- The Washington State Human Rights Commission has a 1-800 number with access to information about filing a complaint, information on

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obtaining interpretation into languages other than English, and a TTY system for persons with hearing impairments.

- Washington State's Attorney General – In Olympia or Regional office in Kennewick
- Department of Financial Institutions, Division of Consumer Services, the Division of Consumer Services offers a 1-800 system similar to that provided by the Human Rights Commission
- Local City Governments, Community Development and HOME Program Administrators
- Local City Attorney's offices, Civil Division
- Local Public Housing Authorities in Richland, Pasco or Kennewick, as well as Yakima (which serves as a regional fair housing entity)
- Northwest Fair Housing Alliance, in Spokane

Any individual may file a fair housing complaint with one of the organizations listed above. It is also not unusual for individuals to contact local CDBG/HOME Programs, Mayor's offices, or other government programs directly. Most of these organizations will pass the complainant on to the Regional HUD office (in Seattle). HUD will generally turn over investigation duties to its Office of Fair Housing and Equal Opportunity (FHEO); which is also located in Seattle. FHEO may also decide to bring other organizations (listed above) into the compliant review and investigation process.

FHEO Fair Housing website provides the discussion below of the complaint and investigation process. Across most enforcement and/or investigation organizations (many work in concert together) the fair housing complaint investigation and resolution processes are similar, based on the type of complaint and the complainant's need for expedited help.

A complainant provides:

- Their name and address
- The name and address of the person the complaint is against (the respondent)
- The address or other identification of the housing involved
- A short description of the alleged violation (the event that caused the complainant to believe their rights were violated)
- The date(s) of the alleged violation

HUD will notify the complainant when it receives the complaint. Normally, HUD will also:

- Notify the alleged violator of the complaint and permit that person to submit a response
- Investigate the complaint and determine whether there is reasonable cause to believe the Fair Housing Act has been violated
- Notify the complainant if it cannot complete an investigation within 100 days of receiving the complaint

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Conciliation - HUD will try to reach an agreement with the person the complaint is against (the respondent). A conciliation agreement must protect both the complainant and the public interest. If an agreement is signed, HUD will take no further action on your complaint. However, if HUD has reasonable cause to believe that a conciliation agreement is breached, staff may recommend that the Attorney General file suit.

If a complainant needs immediate help to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to assist as soon as the complaint is filed. HUD may authorize the Attorney General to go to court to seek temporary or preliminary relief, pending the outcome in the following instances.

- Irreparable harm is likely to occur without HUD's intervention
- There is substantial evidence that a violation of the Fair Housing Act occurred

What Happens after a Complaint Investigation?

If after investigating the complaint, HUD finds reasonable cause to believe that discrimination occurred, it will inform the complainant. The case will be heard in an administrative hearing within 120 days, unless the complainant or the respondent want the case to be heard in Federal district court. Either way, there is no cost to the complainant.

The Administrative Hearing:

If the case goes to an administrative hearing, HUD attorneys will litigate the case on the complainant's behalf. A complainant may intervene in the case and be represented by their own attorney if they wish. An Administrative Law Judge (ALA) will consider evidence from the complainant and the respondent. If the ALA decides that discrimination occurred, the respondent can be ordered:

- To compensate the complainant for actual damages, including humiliation, pain and suffering.
- To provide injunctive or other equitable relief, for example, to make the housing available.
- To pay the Federal Government a civil penalty to vindicate the public interest. The maximum penalties are \$10,000 for a first violation and \$50,000 for a third violation within seven years.
- To pay reasonable attorney's fees and costs.

Federal District Court:

If the complainant or the respondent chooses to have the case decided in Federal District Court, the Attorney General will file a suit and litigate it on the complainant's behalf. Like the ALA, the District Court can order relief, and award actual damages, attorney's fees and costs. In addition, the court can award punitive damages.

In Addition...

A Complainant May File Suit: They may file suit, at their own expense, in Federal District Court or State Court within two years of an alleged violation. If a complainant

Tri-Cities Analysis of Impediments to Fair Housing

cannot afford an attorney, the Court may appoint one. A complainant may bring suit even after filing a complaint, if they have not signed a conciliation agreement and an Administrative Law Judge has not started a hearing. A court may award actual and punitive damages and attorney's fees and costs.

Other Tools to Combat Housing Discrimination:

If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.

The Attorney General may file a suit in a Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring. If the complaint is not successfully conciliated, FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a Determination, as well as a Charge of Discrimination, and a hearing is scheduled before a HUD administrative law judge. Either party - complainant or respondent - may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court. Whenever a party has so elected, the Department of Justice takes over HUD's role as counsel seeking resolution of the charge on behalf of aggrieved persons, and the matter proceeds as a civil action. Either form of action - the ALJ proceeding or the civil action in Federal court - is subject to review in the U.S. Court of Appeals.

NATIONAL TRENDS

The *2004 Fair Housing Trends Report* prepared by the National Fair Housing Alliance²⁶ was based on the analysis of 25,154 fair housing claims and complaints in 2003 reported by member agencies, HUD, the Department of Justice and 95 state and local government agencies. These 25,000 complaints represent just a fraction of the estimated 3.7 million fair housing violations that occur annually.

Race was the most frequent protected class represented by the 25,000 (2003 complaints/claims considered by the Alliance), with 29% of the complaints based on race. This was followed by disability (27% of complaints) and family status (13% of claims). The report notes that while all forms of discrimination are underreported, national origin is likely to be underreported to a greater extent because of the complication of language, immigration status.

²⁶ www.nationalfairhousing.org

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COMPLAINTS IN RICHLAND

Between January 1, 1999 and June 16, 2004, there were two complaints filed with the Department of Housing and Urban Development pertaining to Richland. One of the complaints was on the basis of disability (failure to make reasonable accommodation) and the other on the basis of race (discriminatory refusal to rent). Both cases were closed, one with a “no cause” determination and the other because of inability to locate the complainant.

The Washington State Human Rights Commission was involved in another complaint, also filed with HUD, but not reflected yet in the HUD information. This was based on familial status and was resolved in a pre-finding settlement in the amount of \$4,000 in favor of the complainant. There were no additional complaints filed with the Washington State Human Rights Commission.

COMPLAINTS IN PASCO

Between January 1, 1999 and June 16, 2004, there were 8 complaints filed with the Department of Housing and Urban Development pertaining to Pasco. The most frequent basis (6 of the 8 cases) was national origin or race. Disability was a factor in one of the cases and the other was a complaint of retaliation. Note that more than one basis may pertain to an individual complaint, although these were all a single basis.

Several of the complaints were based on more than one issue, the most common being discrimination in terms, conditions, privileges, or services and facilities (involved in 3 of the complaints). Reasonable accommodation was a factor in one of the cases. Two were based on the issue of using ordinances to discriminate in zoning and land use. Six of the 8 complaints were closed (4 on a “no cause” determination, another because the complaint was withdrawn by the complainant without resolution and the other because the complaint was withdrawn by the complainant after resolution). The remaining two complaints (those based on using ordinances to discriminate in zoning and land use) are open.

The Washington State Human Rights Commission was involved in several of the complaints that were filed with HUD. There were no complaints filed with the Washington State Human Rights Commission on basis or issues covered under the state law alone in this period.

COMPLAINTS IN KENNEWICK

Between January 1, 1999 and June 16, 2004, there were 17 complaints filed with the Department of Housing and Urban Development pertaining to Kennewick. The most frequent basis (13 of the 17 cases) was national origin or race. Family status was a factor in 4 cases and disability was a factor in 2 cases. Note that more than one basis may pertain to an individual complaint.

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The most frequent issue in these complaints was discrimination in terms, conditions, privileges, or services and facilities (10 of 17 complaints). Four of the 17 cases were closed, 3 with a determination of no cause and the last because the complainant failed to cooperate. The remaining 13 complaints were still open.

The Washington State Human Rights Commission was involved in several of the complaints that had been filed with HUD. There were no complaints filed with the Washington State Human Rights Commission on basis or issues covered under the State law alone.

TESTING FOR VIOLATIONS OF THE FAIR HOUSING ACT

Testing is a process of systematically determining if local landlords, lenders, real estate professionals and others discriminate against persons. The test may require door-to-door or telephone inquiries about availability of housing, mortgages, lending practices, “steering” of homebuyers to certain neighborhoods, or other real estate choices experienced by persons of color, persons with disabilities or other persons within the protected classes. It is a process used in some areas where trends in complaints have caused suspicion that systematic discrimination is occurring. It can be a controversial process if not completed in an appropriate, highly organized and substantiated manner.

The Northwest Fair Housing Alliance, which receives federal funds that can be used to conduct tests, did not report audit testing in the Tri-Cities during the past 5 years. However, the organization did complete 48 tests on sales between 2000 and 2002 in Spokane, based on national origin (Hispanic and Middle Eastern). During the same period, the Northwest Fair Housing Alliance also completed 108 rental tests in the same region, based on national origin (Hispanic and Middle Eastern).

Advertising

The Fair Housing Act makes it illegal to advertise any preference, limitation, or otherwise encourage discrimination because of race, color, religion, sex, national origin, handicap, or familial status. Most newspapers will regularly publish a statement to that effect, and may include the HUD Equal Housing Opportunity logo along with information on where to phone to complain of discrimination. These inform the public that discriminatory advertising is illegal, that the newspaper screens ads with obviously discriminatory statements, and provides an avenue for victims of discrimination.

Advertisements for rentals and sales were screened in the on-line version of the *Tri-City Herald* (www.tri-cityherald.com) on June 4, June 27, July 11, and July 18, 2004.

Table 19
Published Advertisements from the Tri-Cities Herald
for
A 4-Day Period in 2004

Advertisement for:	Pasco	Kennewick	Richland
Home purchase	91	161	117
Rental – single family	54	130	98
Rental – duplex	16	83	82
Rental – apartment	67	199	72
Total	228	573	369

Source: www.tri-cityherald.com.

None of the ads contained discriminatory language. The on-line statement from the publisher contained the following text: “Advertising language must comply with federal, state and local laws regarding the prohibition of discrimination in employment, housing and public accommodations.”

HOUSING SALES AND FINANCING

Home Mortgage Disclosure Act (HMDA)

The Federal Financial Institutions Examination Council (FFIEC) prepares and distributes aggregate reports on behalf of the Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision, and the Department of Housing and Urban Development. The HMDA data provides information on home purchases and home improvement loans and includes information on race and ethnicity and income of applicants.

As of January 2003, lenders are required to obtain transaction data on race, ethnicity and gender from telephone interviews of an applicant. This change in policy has reduced the amount of missing data and increased reliability of findings.

Table 20 shows the number of mortgage/loan applications that resulted in loan originations and the percent of denied, by type of institution and race/ethnicity of the applicant. This data is aggregated geographically and includes data from 156 financial institutions with a home or branch office in the MSA (Richland, Kennewick, and Pasco) and 216 financial institutions that do not have a home or branch office in the MSA.

There were consistent differences in the data when comparing the number and success of loan applications between different races (ethnicity). A greater percentage of applications made by whites resulted in loan origination than those of Hispanics – for all types of

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loans. A higher percentage of loan applications made by Hispanics were denied than those made by whites. The number of applications was modest for race/ethnicity categories other than Hispanic and white for; federally guaranteed, conventional and home improvement loans. Because of the small numbers of applicants of diverse races, percentages should be considered guardedly. The majority of applications for loans were for refinancing of existing mortgages. In this category, the numbers of applications are large enough to obtain valid percentages for various ethnicities. Across all loan types, there were 2,112 applications by Hispanics and 16,256 by whites out of 22,893 applications reported.

Table 20
2003 Home Mortgage Disclosure Act (HMDA) Aggregate Report
Richland, Kennewick, Pasco MSA

Race/Ethnicity of Applicant	Federally Guaranteed		Conventional		Refinance		Home Improvement	
	Orig.*	Denied	Orig.	Denied	Orig.	Denied	Orig.	Denied
Am. Indian/Ak. Native	75%	0%	67%	22%	56%	15%	83%	17%
Asian/Pacific Islander	100%	0%	80%	12%	64%	13%	88%	13%
Black	100%	0%	56%	22%	49%	24%	44%	44%
Hispanic	73%	14%	62%	19%	50%	28%	48%	42%
White	83%	7%	79%	9%	71%	12%	75%	15%
Other	100%	0%	65%	17%	35%	36%	50%	50%
Joint (white, minority)	75%	7%	77%	11%	68%	17%	66%	20%
Race not available	63%	11%	59%	14%	37%	29%	24%	42%
Total	80%	9%	75%	11%	63%	16%	67%	21%
Number of applications	1,337		5,068		15,497		991	

*Applications accepted and resulting in origination of a loan. There were also applications that were approved but not accepted, presumably by the applicant.

Source: FFIEC. (2004). *2003 Home Mortgage Disclosure Report*, Tables 4.1 through 4.4 of report. (www.ffiec.gov)

Table 21 aggregates the data by income of the applicant household. The percent of applications resulting in loan originations was consistently higher for white applicants than for Hispanic applicants and the percent of applications denied was consistently higher for Hispanic applicants.

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Table 21
2003 Disposition by Income and Race/Ethnicity
Hispanic and White Only
Richland, Kennewick, Pasco MSA

Income and Race/Ethnicity of Applicant	Federally Guaranteed		Conventional		Refinance		Home Improvement	
	Orig.*	Denied	Orig.	Denied	Orig.	Denied	Orig.	Denied
<50% of MSA median								
Hispanic	71%	16%	54%	26%	40%	41%	33%	56%
White	75%	13%	69%	18%	55%	26%	58%	32%
50-79% of MSA median								
Hispanic	75%	9%	64%	19%	54%	24%	41%	41%
White	84%	8%	76%	10%	63%	16%	69%	19%
80-99% of MSA median								
Hispanic	75%	19%	58%	20%	48%	33%	42%	58%
White	85%	5%	77%	10%	70%	14%	73%	16%
100-119% of MSA median								
Hispanic	75%	25%	67%	11%	47%	26%	57%	36%
White	82%	5%	81%	10%	68%	12%	73%	12%
120%+ of MSA median								
Hispanic	75%	13%	77%	9%	54%	22%	80%	13%
White	88%	5%	84%	6%	74%	9%	83%	10%

*Applications accepted and resulting in origination of a loan. There were also applications that were approved but not accepted, presumably by the applicant.

Source: FFIEC. (2004). *2003 Home Mortgage Disclosure Report*, Tables 4.1 through 4.4 of report. (www.ffiec.gov)

Table 22
2002 Home Mortgage Disclosure Act (HMDA) Aggregate Report
Richland, Kennewick, Pasco MSA

Race/Ethnicity of Applicant	Federally Guaranteed		Conventional		Refinance		Home Improvement	
	Orig.*	Denied	Orig.	Denied	Orig.	Denied	Orig.	Denied
Am. Indian/Ak. Native	100%	0%	100%	0%	58%	12%	100%	0%
Asian/Pacific Islander	92%	0%	87%	8%	81%	4%	73%	18%
Black	82%	9%	56%	25%	59%	16%	100%	0%
Hispanic	83%	8%	63%	20%	56%	21%	67%	23%
White	84%	5%	82%	7%	78%	8%	80%	13%
Other	87%	0%	74%	2%	69%	10%	100%	0%
Joint (white, minority)	88%	2%	82%	8%	76%	12%	74%	19%
Race not available	62%	10%	63%	18%	29%	32%	32%	37%
Total	83%	6%	78%	9%	59%	17%	71%	18%
Number of applications	1,381		4,808		10,277		838	

*Applications accepted and resulting in origination of a loan. There were also applications that were approved but not accepted, presumably by the applicant.

Source: FFIEC. (2003). *2002 Home Mortgage Disclosure Report*, Tables 4.1 through 4.4 of report. (www.ffiec.gov)

Similar overall HMDA data for 2002 are presented in Table 22 for comparison. Again, numbers are small for all categories of ethnicity except Hispanic and white, except for

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refinance applications (although still substantially smaller than Hispanic and white). Of 17,304 applications reflected in the table, 1,170 (7%) were submitted by Hispanics and 10,667 (62%) were submitted by whites.

The HMDA data are useful in identifying possible discrepancies in loans or loan processes/transactions. Review of the 2003 Home Mortgage Disclosure Act (HMDA) aggregate reports for the Richland, Kennewick, and Pasco MSA does demonstrate that some minority populations are relatively less successful than white applicants at obtaining certain types of mortgage financing. The information did not provide enough data to determine if this was due to a consistent pattern of racial discrimination or if there are other factors affecting decisions. Lenders consider many factors in rating loans, such as debt to income ratio, employment history, credit history, collateral and cash on hand. Additional research is required to determine the real cause of differences observed in the tables above.

Community Reinvestment Act

The Community Reinvestment Act (CRA) was enacted by Congress in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low and moderate income neighborhoods.²⁷ The CRA requires supervisory agencies to assess performance of local banking institutions periodically.

The four federal bank supervisory agencies are: the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Office of Thrift Supervision (OTS), and Federal Deposit Insurance Corporation (FDIC). Performance is evaluated in terms of the institution's capacity, constraints and business strategies; the community's demographic and economic data, lending, investment, and service opportunities; and competitors and peers. Ratings assigned are: outstanding, satisfactory, needs to improve, and substantial noncompliance.

The following ratings pertain to banks in the Tri-Cities. All banks had a satisfactory rating. There were no banks rated in Richland.

Table 23
FFIEC Interagency CRA Ratings, 2004

Bank Name	City	Exam Date	Agency	CRA Rating	Assets (thousands)	Exam Method
American National Bank	Kennewick	1992	OCC	Satisfactory	\$53,195	Not reported
American National Bank	Kennewick	1994	OCC	Satisfactory	\$66,988	Not reported
Community First Bank	Kennewick	2000	FDIC	Satisfactory	\$32,415	Small bank
Pacific One Bank, NA	Kennewick	1997	OCC	Satisfactory	\$163,520	Not reported
Columbia Trust Bank	Pasco	1998	FDIC	Satisfactory	\$28,181	Small bank
Columbia Trust Bank	Pasco	2003	FDIC	Satisfactory	\$134,568	Small bank

Source: Interagency CRA ratings, www.ffiec.gov.

²⁷ This discussion and ratings were taken from the Federal Financial Institutions Examination Council web site (www.ffiec.gov).

COMMUNITY COMMENTS

Information about and prevention of predatory lending and homebuyer education and counseling were identified as housing needs for lower income individuals and families during focus groups and in the survey conducted in preparation of the Tri-Cities Consolidated Plan, 2005-2009. These needs are addressed in strategies contained in the 2005 to 2009 Consolidated Plan.

Comments stressed that public education and heightened awareness should be the primary focus of fair housing compliance efforts. Additionally local City staff administering and conducting housing programs identified the need for handouts and materials in English and in Spanish regarding the dangers of predatory lending and how to identify those businesses that are using predatory tactics in real estate transactions.

The Cities' homebuyer and in-fill ownership assistance programs will be marketed in a manner to encourage minority persons and other special needs households that have lower percentages of homeownership to access down payment assistance or other affordable housing opportunities.

PUBLIC POLICIES AND ADMINISTRATIVE ACTIONS

The Cities of Richland, Pasco and Kennewick reviewed codes and policies in the preparation of the previous Analysis of Impediments to Fair Housing and found no public policies or administrative actions that would act as impediments. There is an annual review of the comprehensive plan required by Washington law under the Growth Management Act. That Act assures changes are made to allow construction of affordable housing, including:

- Rezoning of properties to allow the installation of manufactured homes,
- Lot size restriction changes to allow construction of affordable housing on smaller lots,
- Other changes to accommodate a mix of housing costs and types.

Each City's zoning regulations contain provisions that allow flexibility in housing densities and locations throughout the Cities. The building codes also allow various construction methods to afford homeowners the ability to build with traditional and non-traditional materials.

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Richland, Kennewick, and Pasco encourage ownership among all races and accordingly review program materials to ensure that standard and specialized (e.g., longer term assistance for buyers at risk) homebuyer counseling and special programs are integrated into buyer assistance programs.

Richland is undertaking a zoning and use conditions review in their proposed Neighborhood Revitalization Strategy Area, the WYE/ Island View Neighborhood. Pasco has implemented zoning improvements, which include those to increase housing access and choice such as streamlined permitting, provision of density bonuses, reduction in water and sewer connection fees within the central core and eastern sections of the community, and eliminating requirements for curb, gutter, sidewalk and streetlights in some areas of the city.

Pasco has also integrated a policy of waiving the setback requirements for those needing to build ramps in their yards to access housing. All three cities continue to replace sidewalk corners of street intersections with handicapped ramps, and retrofit curbs where needed with access cutbacks. Both Richland and Kennewick have added accessible walking and biking trails in public areas and parks.

The Fair Housing Act does not pre-empt local land use and zoning laws. Where a zoning exclusion disproportionately affects protected classes, including persons with disabilities, it can be identified as an impediment. Two of the complaints filed with HUD, both on the basis of national origin, concern using ordinances to discriminate in zoning and land use. These have been referred to the Department of Justice. The complaints are still under investigation.

CURRENT AFFIRMATIVE FAIR HOUSING EFFORTS IN THE TRI-CITIES

The City of Richland has taken an active role in fair housing policies and actions and in making housing accessible to persons with disabilities and other special needs.

- Richland has partnered with the Richland Housing Authority to increase affordable housing.
- The City participates in the Tri-City Enterprise Association to make micro- and small business loans and offer technical assistance to encourage economic development and opportunities in Richland, including business owners in protected classes.
- The City is a partner in the Housing and Community Development Advisory Committee and the Benton-Franklin Housing Network.
- The City of Richland partnered with the 3 local housing authorities and the Cities of Pasco and Kennewick to develop a “Fair Housing Video” which was shown locally on Cable Channel 13 and 99, and is available for interested parties to view.

Tri-Cities Analysis of Impediments to Fair Housing

- The City of Richland has sponsored and hosted Fair Housing training workshops.
- Pamphlets, brochures and program applications are available in both English and Spanish.
- Staff attends Fair Housing seminars and workshops offered by the Northwest Fair Housing Alliance.
- The City promotes removal of architectural barriers in housing and public facilities, including increasing public awareness, periodic assessment of units, and earmarking funds for installation of handicapped ramps at street intersections and other locations.
- Richland sponsors Fair Housing Act information in the local newspaper and distributes information about the act and the complaint hotline in utility bill inserts to all residents, and distributes fair housing and affordable housing pamphlets at community and City-sponsored events.
- Richland also researches and identifies non-housing properties that might be suitable for conversion to single-family physically accessible housing (and large-family housing), and continues to supply first time homebuyer counseling to better prepare people in becoming successful homeowners.

The City of Kennewick has taken an active role in fair housing policies and actions and in making housing accessible to persons with disabilities and other special needs.

- Kennewick has participated in and assisted in hosting HUD fair housing training and first time homebuyer workshops.
- The City assisted in the development of a fair housing video.
- The City supported the fair housing booth at the annual Tri-Cities Family A-Fair to promote fair housing, including provision of bilingual information, and educate the general public to overcome attitudinal barriers to fair housing.
- In order to remove barriers for persons with disabilities, Kennewick supports modification or construction of handicapped accessible housing units and worked with the City of Richland and others to provide additional (6 units) of fully accessible housing for seniors.
- Kennewick has partnered with the Kennewick Housing Authority to increase affordable housing opportunities.
- Kennewick continues to work through the CDBG Advisory Committee and is a member of the Benton Franklin Housing Network to promote fair housing and community development.
- Pamphlets, brochures and program applications are available in English and Spanish.
- Kennewick has placed fair housing information in the newspaper and distributed information in the city's utility bills as well as city co-sponsored fair housing events.
- During the CPS period 2005-2009, Kennewick will begin to offer first time homebuyer counseling to all program participants in the city's Down Payment Assistance program.

Tri-Cities Analysis of Impediments to Fair Housing

The City of Pasco has taken an active role in certain fair housing policies and actions and in making housing assessable to persons with disabilities and other special needs.

- The City of Pasco has translated fair housing materials into Spanish and continues to advertise in *LaVoz* as well as the *Tri-City Herald*.
- The City assisted in the development of a fair housing video.
- As of the summer of 2004, roughly half of the installations of ramps on city streets have been completed and efforts will continue over the next eight years to install ramps.
- Responsibility for compliance with Section 504 has been assigned to a staff position for better oversight and coordination.
- The City of Pasco completed a Section 504 self-evaluation in December 2002.
- “Opening the Doors to Opportunity” was premiered at the 2002/2003 Family A-Fair and has been aired on television. The film is also available for use by interested organizations.
- Pasco manned and supported a booth at the annual Family A-Fair to address questions about fair housing and housing need and provide assistance in both Spanish and English.

All three Cities; Richland, Pasco and Kennewick are part of the Tri-Cities HOME Consortium and are committed to providing equal access and opportunity to all persons participating in their housing programs. The three cities will not discriminate, and will require that all contractors, subcontractors, sub-recipients, owners, landlords, and vendors not discriminate against any person on the basis of race, color, national origin, gender, sex, religion, disability or familial status.²⁸ These housing programs include a range of activities such as:

- Rental Rehabilitation Program
- Owner-Occupied Rehabilitation Program
- Down-Payment Assistance Program
- In-Fill Homeownership Program
- Home CHDO Rental and Ownership Projects
- Affordability Preservation--Payment Of LID Special Assessments for Lower Income Owner-Occupants
- Improvement of housing in each City’s Neighborhood Revitalization Neighborhoods And Other Housing and Housing Supportive Activities

The HOME Consortium and the Cities’ individual CDBG Programs provides housing information to attract special needs participants and help them access a variety of housing opportunities. Those actions include the following:

²⁸ Richland 2004 Annual Action Plan: Supplement to 2000-2004 Consolidated Plan, City of Richland and Tri-Cities Home Consortium.

Tri-Cities Analysis of Impediments to Fair Housing

- Display advertisements placed in the *Tri-City Herald*, *LaVoz*, and/or the *Giant Nickel*.
- Direct mailings or inclusion as a utility bill insert of program opportunities and fair housing laws as a way of distributing information to the public.
- Brochures and flyers distributed to social service agencies such as Benton Franklin CAC, LaClinica, and Benton Franklin Housing Network.
- Brochures and flyers distributed to businesses with ties to the agricultural community such as Lamb Weston, Simplot, and Welch foods.
- Brochures and flyers distributed to the three local libraries and Housing Authorities.
- Brochures and flyers distributed at City and community events such as City Fair and Family A-Fair.
- Community service announcements and press releases for special events and activities will be placed on radio and television stations.
- Special activities and events will be placed on public access cable channels.
- All announcements, program advertisements, solicitations, brochures and flyers will display the Equal Housing Opportunity logo or slogan.
- Fair housing and equal opportunity posters in both Spanish and English will be displayed at each respective City Hall.
- Fair housing and equal opportunity posters in both Spanish and English will be distributed to each sub-recipient.
- Community contacts will be made to agencies that serve minority and disabled persons such as Washington State Migrant Council, Hispanic Chamber of Commerce, Washington State Department of Developmental Disabilities, Washington State Department of Human Resources, Columbia Industries, and Benton Franklin Human Services Coalition.
- Community contacts will be maintained with people who have agreed to act as interpreters and mentors for non-English speaking residents.
- All sub-recipients and owners funded with HOME dollars will be required to provide an Affirmative Marketing and Minority Outreach Plan to the City of Richland, and receive approval of the plan prior to the release of HOME dollars.
- Records will be maintained regarding the actions taken by the Tri-Cities HOME Consortium and will be assessed annually.

CONCLUSIONS AND RECOMMENDATIONS

The following lists general areas of impediments suggested by the data, by community input and by the previous Analysis of Impediments to Fair Housing.

Impediment 1: Any discriminatory practice in housing rentals is an impediment to fair housing.

Tri-Cities Analysis of Impediments to Fair Housing

The majority of complaints filed with HUD and the Washington State Human Rights Commission concerned race or national origin, disability, or family status in housing rentals. Public comments reinforced the need for training for landlords. The 2001 Analysis of Impediments to Fair Housing included the need for education for landlords.

Impediment 2: Any discriminatory practice in brokerage and lending practices is an impediment to fair housing.

Review of the Home Mortgage Disclosure Act reports indicated that there was unequal lending on the basis of race and ethnicity, even within comparable income ranges. While this in itself does not indicate unfair lending, it does point to the need for continued review and outreach to mortgage lenders, brokerage firms and consumers. Public comment supported a focus on predatory lending as well, which is coming to light in many communities as a significant impediment to low-income households, and elderly households. The 2001 Analysis of Impediments to Fair Housing pointed to the need for professional real estate assistance (particularly in Pasco), and the need for review of lending and home sales.

Impediment 3: Lack of consumer understanding and preparedness can prevent fair housing choice.

Public comments identified a need for consumer counseling in fair housing, prevention of predatory lending, landlord/tenant counseling, and homebuyer education and counseling. The 2001 Analysis of Impediments identified poor credit history, lack of outreach and education of potential homebuyers, language, and lack of information about fair housing as impediments. Consumers should understand fair housing, the complaint process, and should be better prepared to purchase or rent a unit. At a minimum they should be prepared to make informed choices about renting or purchasing and understand the nature of unfair housing practices. Counseling for first-time homebuyers and efforts to repair poor credit or rental histories would increase the consumers' readiness.

RECOMMENDATIONS

While each city has unique circumstances and unique challenges, most of the strategies created to address existing impediments and furthering fair housing choices for residents will be regional whenever possible. The HOME Consortium comprised of all three cities and each Community Development Block Grant Program recipient will partner, whenever practicable to implement the strategies to address fair housing needs. The following recommendations will involve the Tri-Cities cooperating on a regional basis and build upon, to a large extent, strategies already in place as well as implement new strategies.

Tri-Cities Analysis of Impediments to Fair Housing

Continue to build a regional network/approach on issues pertaining to fair housing.

- Identify fair housing needs and trends.
- Maintain a clearinghouse of educational materials, including those translated into Spanish and other languages.
- Implement the Fair Housing, Public Service and Affordable Housing Strategies contained in the 2005 to 2009 Consolidated Community Development and Affordable Housing Plan. (see strategies listed in the next section of this document)
- Implement measures of performance identified within the Consolidated Plan for relevant strategies.

Provide education for the consumer about fair housing, using a variety of media and methods.

- Continue to participate in area events if possible, and present fair housing information in both Spanish and English.
- Continue to support regional educational activities and materials for consumers about fair housing, recognition of discrimination in rental housing, and how to file a complaint.
- Continue to develop regional educational activities and materials for consumers about discriminatory and predatory lending.
- Maintain a clearinghouse of materials (in English and translated) that can be used in fair housing training and events.
- Extend outreach and training to providers who work specifically with low- and moderate-income households and protected classes to increase their awareness of fair housing and enlist them as advocates in working with these populations on fair housing.
- Partner with organizations (e.g., consumer credit counseling) that can assist households with poor credit or work history, and other factors affecting qualification for loans.
- Include requirements for participation in homebuyer counseling for all down payment assistance clients or other home buying program participants.

Prevent discriminatory rental practices.

- Sponsor training for providers, realtors and landlords about fair housing.
- Require funded housing programs to disseminate written materials regarding Fair Housing in English and translated for priority non-English speaking persons to their program participants.
- Monitor complaints by type and area.

Help Prevent unfair lending practices and predatory lending.

- Partner with lenders and realtors to obtain training in fair housing and lending practices.

Tri-Cities Analysis of Impediments to Fair Housing

- Host a forum for the discussion of predatory lending in the Tri-Cities.
- Work with lenders and agencies that provide homebuyer assistance to market program benefits to protected classes.
- Monitor lending and investment of Community Reinvestment Act funds in the communities.

REGIONAL STRATEGIES FOR THE NEXT FIVE YEARS

In developing the Analysis of Impediments to Fair Housing, the Tri-Cities CDBG and HOME Affordable Housing programs have made a commitment to affirmatively further fair housing standards by establishing specific Fair Housing Strategies in their Tri-Cities Consolidated Community Development and Affordable Housing Plan for 2005 to 2009. Those Strategies include:

Goal IX: Increase Community Awareness of fair housing issues and the importance of full access to housing opportunities for lower-income and special needs individuals and families.

Strategy 1. Partner with local real estate professionals including property management firms, realtors, lenders, housing organizations and others to co-sponsor workshops or other educational events to identify and promote fair housing practices.

Strategy 2. Disburse a range of English and non-English HUD-approved fair housing literature to housing program clients and housing development and management partners.

Additional affordable housing strategies contained within the 2005 to 2009 Consolidated Plan will also further fair housing in the area including:

GOAL IV: Improve Affordable Housing Opportunities for Lower-Income Individuals and Households

Strategy 1. Add to the existing stock of affordable units by developing owner-occupied and rental housing in-fill areas or targeted neighborhoods, consistent with local comprehensive plans.

Strategy 2. Sustain or improve the quality of existing affordable housing stock.

Strategy 3. Maximize homeownership opportunities for lower-income and special needs households

Strategy 4. Minimize geographic concentration of new tax-exempt housing development. (*The City of Pasco.*)

Tri-Cities Analysis of Impediments to Fair Housing

In establishing their affordable housing strategies the communities emphasized access to housing opportunities for lower income and special needs households and individuals. One of the ways in which they will accomplish these goals is to conduct a variety of housing programs and projects that address local market conditions, identified affordable housing needs, and local goals for improvement of neighborhoods with a majority of lower income households, and the facilities that serve those neighborhoods.

Another important component in improving local housing choice is rehabilitation of neighborhoods that are home to a majority of lower income households. Three targeted neighborhoods will likely be the focus of special efforts to improve the quality of lives of lower income residents, as well as to make improvements that can encourage business investment and growth in the areas.

Kennewick has already created a Neighborhood Redevelopment Strategy Area, and Richland and Pasco are considering the formation of such districts, which will specifically target local areas that have a majority of lower income residents (and in some cases areas that have populations that exceed 25% of persons with incomes below the national poverty level). One of the neighborhood's, Pasco's downtown area, has a residency of over 73% Hispanic. Additionally the areas all have smaller minority-owned business enterprises. Both housing and businesses in these Revitalization Strategy areas are specifically targeted for rehabilitation and improvement.

The Tri-Cities Community Development Block Grant and HOME Program staff will continue to work together and with local partners to identify barriers and impediments to all area residents obtaining fair housing choice. The activities that they will undertake, and programs they will fund with CDBG and HOME moneys will be assessed for their potential to improve local housing conditions, neighborhood revitalization, as well as establish the communities as an area committed to ensuring that all its residents can access the housing of their choice, based on individual incomes, physical needs, geographic location and all the other conditions that impact every family's reasonable desire to maximize individual control on where and how they live.