



SPOKANE COUNTY

Analysis of Impediments to Fair Housing Choice and Fair Housing Plan

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By the Board of County Commissioners of
Spokane County, Washington

Spokane County assures that grants will be conducted and administered in compliance with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3620), the Age Discrimination Act of 1975, Executive Orders 11063, 11625, 12138, 12432 and 12892, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Americans with Disabilities Act (title II) and implementing regulations.



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Executive Summary

Spokane County has a long-standing commitment to furthering fair housing within its jurisdiction. In addition to the strategies developed and included in this 2010 update to the Analysis of Impediments to Fair Housing Choice (AI) and Fair Housing Plan (Plan), Spokane County has undertaken many activities in public and private partnerships to increase fair housing awareness.

Analysis of local impediments to fair housing choice and a fair housing plan are requirements of the US Department of Housing and Urban Development (HUD) for all communities that administer Community Planning and Development (CPD) programs. Spokane County is a HUD urban consortium whose jurisdiction includes the cities, towns and unincorporated areas of Spokane County, exclusive of the city of Spokane. Spokane County receives approximately \$2.6 Million annually from HUD through the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) CPD programs. Spokane City administers CPD programs for HUD as well, and therefore produces its own AI and Plan as required. These analyses conducted and plans produced inform HUD how communities in Spokane County will affirmatively further fair housing.

An impediment to fair housing choice is any action, omission or decision a jurisdiction may take which restricts housing choices or discriminates against people because of the person's race, color, religion, sex, disability, familial status, national origin, veteran or military status, domestic violence (victims), sexual orientation or gender identity. Simply put, Spokane County when making decisions should be cognizant of the potential impacts on people of protected classes and promote diversity and fair housing choice throughout the region.

The original AI and Plan were adopted by resolution #2-0248. This 2010 updated AI and Plan have been developed with a different approach, focusing solely on impediments to fair housing choice. The primary elements of review for the 2010 AI update included research on jurisdictional support for fair housing through comprehensive plans, lending data for Spokane Metropolitan Statistical Area (MSA) related to homeownership, complaints filed in Spokane County between 2003 and 2009, public perceptions related to fair housing issues, educational opportunities and partners, and finally, the challenge of implementation beyond education. Affordability is addressed only as it relates to fair housing choice for low-income members of a protected class. Low-income in and of itself is not a protected class under fair housing laws, however, many members of protected classes are known to be low-income.

By its nature the AI and Plan present challenges to be addressed. Despite the negative platform, it is an important exercise to look objectively at the data while also attempting to discover nuances which may not appear in the data, such as people's perceptions of the issue. Here we establish bench marks and trend lines which over time will help us measure our progress toward furthering fair housing choice and to ensure that we are funding CPD projects in a variety of locations, which in turn will offer options to people who are in need of housing regardless of the protected class to which they may be identified.

Because Spokane County and its jurisdiction's comprehensive plans include goals and policies to further fair housing, this document doesn't create any new goals or policies. Rather, it describes the strategies Spokane County will undertake to monitor our success at furthering fair housing. Spokane County Community Services, Housing, and Community Development Department (CSHCD) will adjust educational materials and locations to meet the changing needs in our communities as they are identified in the coming years.

Suggested Strategies to Address Impediments to Fair Housing Choice

The Spokane County Comprehensive Plan promotes fair housing through goals and policies in its Housing Chapter. The Spokane County Consolidated Plan sets measurable goals for CSHCD to meet in order to further fair housing. The County-wide Planning Policies, adopted by every Spokane County jurisdiction, addresses fair housing with policy topics #6 and #7. There is obvious intent by the county to further fair housing at every opportunity.

Some of the strategies developed in the 2002 AI and Consolidated Plan have been successful and will be retained. Others, which are no longer at issue, have been removed until and unless they resurface as impediments in the future. Until Spokane County is made aware of impediments beyond those identified, we must assume that the status quo is accomplishing the goals of HUD for furthering fair housing in Spokane County.

Impediment 1

Spokane County lacks annual updates to the Fair Housing Plan, making 5 year updates more time consuming and difficult. Funding for fair housing activities must be charged to CDBG administration costs, which are capped.

Strategy

- It is desired that HUD will allow administration of fair housing activities as a program delivery cost rather than administrative cost, to increase the amount of hours that can be spent in research and mapping exercises. By limiting funding with a cap, HUD has automatically limited the amount of staff time that can be spent. In order to regularly review fair housing impediments and assess the effectiveness of ongoing fair housing initiatives, there must be funds to pay for it. A lawsuit brought in 2010 by HUD, against Winchester County, New York, has expanded the scope of AIs and Plans accordingly; to track minorities and lending data and establish baselines for future comparison. Because of the expanded requirements, more time is needed. Annual activities will continue to update and improve this document as time permits.

Impediment 2

Local elected officials are replaced over time and new officials responsible for furthering fair housing need to be educated on fair housing laws and local challenges.

Strategies

- Continued - CSHCD works with local partners to plan annual spring trainings meant for local elected officials, building and planning staff, landlords and citizens. All jurisdictions are invited.
- Continued - Annual media campaigns are used during national fair housing week with this group and the city of Spokane.

Impediment 3

Deleted via resolution number 2011-0165

Impediment 4

Disparate Impacts are often mentioned but not easily understood or addressed at the county level. Blatant disregard of the law is more easily identified and addressed.

Strategy

- Spokane County will review the status of disparate impacts and HUD enforcement activities as they are identified and distributed. The county may then determine how those disparate impacts are to be addressed at the county level.

Impediment 5

Spokane County has not mapped census tracts for minority concentrations to compare with affordable housing projects to assure that housing choice is not impeded.

Strategies

- Mapping should begin with the release of the 2010 Census information for minority concentrations in Spokane County and become part of the AI and Plan.
- Mapping of affordable housing projects will become part of CSHCD's process to provide the Housing and Community Development Advisory Committee (HCDAC) locations and census data as they make funding decisions.

Impediment 6

Spokane County did not have trend lines to compare over time to measure success or failure in furthering fair housing in home lending using HMDA data.

Strategies

- Trend lines have been established in this document.
- The trend line for 5 years of approved conventional mortgages will be updated annually to look for discrimination in lending in the Spokane MSA.
- For comparison purposes the national averages will be used, unless Spokane County finds another comparable county to compare progress.
- Homeownership is set as a high priority for all income categories in the Spokane County Consolidated Plan and will remain so.

Impediment 7

There is a general lack of understanding about fair housing and downright opposition to affordable housing projects – NIMBY – not in my backyard attitudes in the Spokane region. Often combined with affordable housing issues, the importance of non discrimination in housing must be continually taught, advertised and enforced.

Strategies

- Spokane County will continue to fund affordable housing projects. Those projects funded by the county are required to promote fair housing per contracts and agreements. Copies of our agreements are available upon request.
- CSHCD's website will be updated to include links for fair housing information and help in the community.

- County staff will remind decision makers of the county's obligation to further fair housing and affordable housing projects.

Impediment 8

There is no guidance or authority from HUD to help Spokane County review the zoning codes of its jurisdictions for disparate impacts.

Strategies

- CSHCD will endeavor to learn more over time regarding the proper definitions and code language to use when defining family or limiting household members.

Impediment 9

HUD, together with the Northeast Washington Housing Solutions (NEWHS) dba Spokane Housing Authority (SHA), is considering the impact of housing choice vouchers and how they affect housing choice as it relates to Fair Housing Law.

Strategy

- Spokane County will gain information from SHA and HUD on the progress in this area and support their efforts to further fair housing for voucher holders.

Impediment 10

Internet advertising is not subject to fair housing laws in the same manner as printed media. Therefore, the incidence of discrimination in advertising is increasing nation wide.

Strategies

- Educational events will highlight the problem and advocacy in this regard will be encouraged at the county level.
- CSHCD's web page will be updated with fair housing links to help the community find support and information.
- CSHCD will encourage HUD, NFHA and WSHRC to utilize social networking sites to reach a broader audience for fair housing education.

Introduction

While the Spokane County Community Services, Housing, and Community Development Department (CSHCD) was producing the 2002 AI and Plan, Spokane County's Long Range Planning Department was developing a Washington State mandated Comprehensive Plan, aka Growth Management Act (GMA) "land use" Plan, which was subsequently adopted in 2001 with resolution # 0-1059.

The Spokane County Comprehensive Plan includes fair housing goals and policies for land use zoning and permitting activities, which did not exist in the prior comprehensive plan. Concurrently, Spokane County adopted updated zoning regulations to implement the Comprehensive Plan. All jurisdictions within the county were also required to develop comprehensive plans and development regulations (zoning codes) consistent with GMA and each other. The Spokane County Growth Management Steering Committee of Elected Officials was established to maintain consistency among jurisdictions' plans and regulations to promote orderly growth within established urban growth boundaries.

This update provides a review of those comprehensive plans for the Spokane County Urban Consortium, in an attempt to identify potential impediments which may exist and establish educational opportunities or technical assistance where applicable, to further promote fair housing choice for all Spokane County residents.

National mortgage lending data is compared to the Spokane MSA lending data to measure local progress on equality in lending and establish a process to continually compare our past statistics with future data. A recent decision by HUD to take action against Winchester County, New York indicates that an analysis of racial discrimination is of utmost importance for all AI updates.

Local complaint data bases are described to illustrate where the greatest need for education may be and the appropriate subject matter for educational target areas and organizations.

Public perception is also addressed. While there may not be data to support what "people think and feel," it's important to try to understand the affect of public opinion. Whether the perceptions reflect reality or not, how our community is perceived in the area of fair housing choice, or lack thereof, may mean more to the person on the street than any data set ever will. How people perceive affordable housing projects is an impediment that has carried over from the original AI and Spokane County continues to promote affordable housing projects despite the "not in my back yard" (NIMBY) attitude.

The US Housing and Urban Development Department (HUD) also require Five Year Consolidated Plans, Annual Action Plans and a Consolidated Annual Performance and Evaluation Report (CAPER). The Consolidated and Annual Action Plans guide the use of federal Community Development Block Grant and HOME funds. The CAPER informs the public about which projects were funded in the prior program year and the status of projects over time.

Please refer to the Spokane County Comprehensive Plan for details on the purpose of GMA, and use the other plans and documents referenced within to gain a greater understanding of Spokane County's vision for the future, demographics, economics, real estate markets, community needs, census data etc.

To prepare the AI and Plan update, CSHCD researched the following resources and interviewed interested parties:

Resources:

- Spokane County, County-Wide Planning Policies.
- Spokane County Comprehensive Plan and land use regulations. (zone code)
- Comprehensive Plans of the cities and towns that compile the Urban Consortium (HUD county entitlement funding) exclusive of the city of Spokane.
- A Guide to HMDA Reporting; Getting it Right, FFIEC.
- 2004-2008 Home Mortgage Disclosure Act (HMDA) Data.
- A Test of Cultural Affinity in Home Mortgage Lending by Raphael W. Bostic, University of Southern California and Board of Governors of the Federal Reserve System.
- FY2009 HUD Income Limits Briefing Materials.
- “The Future of Fair Housing”; Report of the National Commission on Fair Housing and Equal Opportunity. (December 2008)
- State of Washington Analysis of Impediments and Fair Housing Plan. (CTED 2007)
- HUD 2010 Strategic Plan.
- Northwest Fair Housing Alliance Community Survey and Needs Assessment 2003.
- 2010-2014 Spokane County Consolidated Plan and Needs Assessment.
- Spokane County Mental Health Housing Needs Report. (2007)
- Spokane County Regional Support Network Housing Plan. (August 2007)
- Spring 2010 “Real Estate Report”, Real Estate Research Committee.
- Transportation Improvement Program for Spokane County FY 2009-2012. (Spokane Regional Transportation Council 2008)
- <http://www.census.gov>.
- <http://www.ffiec.gov>.
- <http://www.nationalfairhousing.org>.

Interviews:

- Marley Hockstedder, Executive Director, Northwest Fair Housing Alliance. (NFHA)
- Staff from Coalition of Responsible Disabled. (CORD)
- Staff from HUD Office of Fair Housing and Equal Opportunity. (OFHEO)
- Staff from Washington State Human Rights Commission. (WSHRC)

Federal Fair Housing Law (Source: WA State AI; 2007)

The Fair Housing Act makes it illegal to discriminate based on race, color, religion, sex, disability, familial status or national origin whether lending to homebuyers or renting to tenants. Washington State has added protected classes to include Sexual Orientation, Gender Identity, Veteran and Military Status and Protection for Victims of Domestic Violence in rental agreements. The following are examples of illegal actions when based on an individual's race, color, religion, national origin, sex, familial status, or disability:

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

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

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

Under the Fair Housing Act, complaints may be conciliated prior to a determination of whether reasonable cause exists to believe that a respondent has violated the Act. The Act establishes a process for a HUD administrative law judge to review complaints in cases that cannot be resolved by an agreement between the parties and sets financial penalties where a charge of discrimination is substantiated.

Washington State Fair Housing Law

The Washington State Board against Discrimination was founded by the Legislature in 1949, indicating a long standing commitment to civil rights. Since the completion of the State's 1996 Analysis of Impediments, the Legislature has enacted amendments to the Washington Law against discrimination and other statutes that increase fair housing protections for Washington citizens:

- Sexual Orientation and Gender Identity.
- Clarification of Disability Protections.
- Veteran and Military Status Protections.
- Protections for Victims of Domestic Violence.

Affirmatively Furthering Fair Housing

As a recipient of federal Community Development Block Grant (CDBG) funds and federal HOME funds, Spokane County is required to develop programs that will "affirmatively further fair housing". HUD, which allocates these and other funds, requires grant recipients to examine the local housing market and identify barriers to fair housing choice, and implement a plan to address any identified housing barriers for protected classes.

HUD's Definition of Fair Housing Choice

"The ability of persons regardless of race, color, religion, sex, handicap, family status, or national origin of similar income levels to have available to them the same housing choices."

HUD Further Defines Barriers As:

"Any actions, omissions or decisions taken because of race, color, religion, sex, handicap, family status, or national origin which restrict housing choices, or the availability of housing choices."

Within the scope of these definitions Spokane County has affirmatively furthered fair housing through various programs and policies. The county will not fund activities or support any entity that does not affirmatively further fair housing or which impedes the county's actions to comply with its own fair housing policies. This policy is incorporated into all funding award agreements using CDBG and HOME funds.

Fair Housing Legal Cases in Spokane County

Two Law suits have been brought by the Department of Justice for violations to the Fair Housing Act within Spokane County and/or its Urban Consortium:

In September 2005 an action was brought by the United States to enforce Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act). The complaint involved several properties, three of which are located in Spokane County; Cedar Chateau Estates and Cedar Chateau Estates B are apartment complexes located on East Mission Avenue in Spokane Valley (a member of the

Urban Consortium) and Cedar Canyon Villas, is an apartment complex located on South Hailee Lane in unincorporated Spokane County. The defendants, Cedar Builders, Inc. were the contractor for and developer of the properties. The issue was the lack of compliance with the Fair Housing Act as amended in the construction of these multi family units. There were not adequate accessible units making it impossible for those with mobility issues to live in those units. Furthermore, common areas and public use areas were not accessible to people with disabilities. Each person who was aggrieved by the discriminatory housing practice received monetary compensation. A civil penalty was assessed against the defendants to vindicate the public interest. The buildings must be retrofitted to comply with fair housing law. Details of the suit are available in Appendix A.1.

A suit settled in September 2007 resulted in fines to a local developer, Lanzce Douglass and the architects and engineers he hired to build five large apartment complexes in Spokane County. Three of the buildings are located in the City of Spokane. One (Hillby Station) is located in the unincorporated County and one (Granite Court Apartments) is located in the City of Spokane Valley. According to Spokesman Review articles, the suit was settled and Douglass ordered to pay \$120,000 to compensate any persons harmed by the inaccessible housing and to pay a \$10,000 civil penalty for violating the Fair Housing Act. In addition Douglass will pay all related costs of retrofitting the complexes to make them accessible to person with disabilities. Retrofitting will include modifying walkways to eliminate steep slopes, providing accessible curb ramps; and parking and routes to site amenities, such as clubhouses, pools, mailboxes and trash collection. Two Spokesman articles on this subject can be found in the Appendix A.2. and A.3.

Home Mortgage Disclosure Act Trends

The Home Mortgage Disclosure Act (HMDA), enacted by Congress in 1975 and made permanent in 1988, requires depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans, including several applicant/borrower characteristics.

The housing-loan data that lenders must disclose under HMDA:

- Show whether financial institutions are serving the housing credit needs of their neighborhoods and communities.
- Assist in directing government officials and private investors to areas that may need investment.
- Help identify possible discriminatory lending patterns and assist regulatory agencies in enforcing compliance with antidiscrimination statutes.

HMDA does not prohibit any activity, nor is it intended to encourage unsound lending practices or the allocation of credit.

The Federal Financial Institutions Examination Council (FFIEC), on behalf of the lenders, creates a series of tables from each institution's data. Every institution must make its tables available to the public. The FFIEC prepares and releases tables that aggregate all the data by Metropolitan Statistical Area (MSA) or Metropolitan Division (MD). Consequently, HMDA data for the Spokane MSA includes the city of Spokane. You will find associated FFIEC HMDA aggregate tables which are the source for 19 charts in this chapter in Appendix B.1. While HMDA data is a resource available for tracking the lending practices in certain geographic area

or by particular lender(s), it has limitations that should be taken into account. Conclusions should not be drawn on the basis of HMDA data alone.

An application or loan is reported if it falls into one or more of the following three categories: home purchase loan, home improvement loan or refinancing.

1. A **home purchase** loan is any loan secured by and made for the purpose of purchasing a dwelling.
2. A **home improvement** loan is (a) any dwelling-secured loan to be used, at least in part, for repairing, rehabilitating, remodeling, or improving a dwelling (or the real property on which the dwelling is located) or (b) any unsecured loan to be used, at least in part, for one or more of those purposes that is classified as a home improvement loan by the institution.
3. A **refinancing** is any dwelling-secured loan that replaces and satisfies another dwelling-secured loan to the same borrower.

The following transactions are excluded from reporting under HMDA:

- Loans made or purchased in a fiduciary capacity.
- Loans on unimproved land.
- Construction loans and other temporary financing (but construction-permanent loans must be reported).
- Purchase of an interest in a pool of mortgages, such as a mortgage participation certificate, a real estate mortgage investment conduit (REMIC), or a mortgage-backed security.
- Purchase solely of loan servicing rights.
- Loans acquired as part of a merger or acquisition, or as part of the acquisition of all of the assets and liabilities of a branch office.
- The acquisition of only a partial interest in a home purchase or home improvement loan or a refinancing by your institution, even if you have participated in the underwriting and origination of the loan (such as in certain consortium loans).
- Prequalification requests for mortgage loans, as opposed to preapproval requests, which must be reported.
- Assumptions not involving a written agreement between the lender and the new borrower.

It is unclear how a jurisdictional review of lending data, as required in the Analysis of Impediments, will effect lending institutions and their lending practices. However, the analysis is attempted in an effort to satisfy HUD that Spokane County is attempting to assure that affordable housing and public housing is provided throughout the region and will not be concentrated in minority dominated census tracts. Future AI updates may map minority concentrations and compare them with affordable housing projects financed by Spokane County CDBG or HOME funds.

The Northwest Fair Housing Alliance conducts testing in Eastern Washington and has tested for unfair lending practices in the Tri-Cities area (Pasco, Richland and Kennewick Washington) in

the recent past. If there is evidence to support such testing in Spokane County the Community Services, Housing, and Community Development Department would support HUD Fair Housing Initiative Program (FHIP) funds going towards such a study and would be very interested in NFHA testing methodology, results and suggestions for corrective action.

Median Family Income (MFI)

Current median family income (MFI) limits are available in the Spokane County Consolidated Plan. HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs. HUD's major programs are the Public Housing program, the Section 8 Housing Choice Voucher program, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions in developing median family income estimates (MFIs), which means that income estimates are developed for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. HUD income limits are calculated for every FMR area with adjustments for family size and for areas that have unusually high or low income-to-housing-cost relationships.

The statutory basis for HUD's income limit policies is Section 3 of the U.S. Housing Act of 1937, as amended. Key excerpts relevant to income limits are summarized as follows:

- Low-income families are defined as families whose incomes do not exceed 80 percent of the median family income for the area.
- Very low-income families are defined as families whose incomes do not exceed 50 percent of the median family income for the area.
- The amendments in the Quality Housing and Work Responsibility Act of 1998 (the 1998 Act) establish a 30 percent of median family income program targeting standard.
- Income limits for non-metropolitan areas may not be less than limits based on the state non-metropolitan median family income level.
- Income limits are adjusted for family size.
- Income limits are adjusted for areas with unusually high or low family income or housing-cost-to-income relationships.
- The Secretary of Agriculture is to be consulted prior to establishing income limits for rural areas, since these limits also apply to certain Rural Housing and Community Development Service programs.

HUD develops MFI estimates using income data from the annual American Community Survey (ACS), a change from prior methodology. (Source: FY 2009 HUD Income Limits Briefing Materials).

HMDA Chart List

Chart 1 through Chart 5; Conventional Mortgages.

Chart 6 through Chart 12; Refinance Loan Applications.

Chart 13 through 19; Federal Housing Agency/ Farm Service Agency/ Rural Housing Service/Veterans Administration Home Purchase Loans.

For the purpose of the 2010 AI update, submitted applications are those deemed complete by the lender and accepted by the borrower (approved applications are not always accepted by the borrower). HMDA data does not provide reasons for denial by the borrower. Incomplete applications were deducted from the “submitted” total.

Conventional Mortgages

Chart 1; Five Years of Approved Conventional Mortgages by Race/Ethnicity; Spokane MSA

This chart and data set has been established to look for trends of discrimination in conventional mortgage lending. It provides the trend line for current and future analysis of the Spokane Metropolitan Statistical Area (MSA). Dips in the bar graph represent less than 10 applications. Approval levels consistently hover above 80%. Compared to national data (chart 3) Spokane MSA lenders are approving a relatively high percentage of conventional mortgages to people from all racial categories. Reasons for denial are not explored at this time due to high approval rate, although they are provided in Appendix B.1. (Aggregate table 8-2).

Chart 2; Total Approved Conventional Mortgages by Race/Ethnicity 2004-2008; Spokane MSA

This Data is the total averages of Chart 1, including the approval rate and actual numbers of submitted and approved applications of conventional mortgages. The categories of White, non Hispanic people appear to skew the data; however, the visual spike is due to the many more applications submitted. The approval rate for all categories is near or above 80% with the lowest at 75%. National data (Chart 3) has visual spikes as well and lower overall approval rates.

Chart 3; Approved National Conventional Mortgages 2008 by Race/Ethnicity

This 2008 national data show approved conventional mortgages, providing a base line for comparison with the Spokane MSA. Future AI updates may use this national data again or establish another MSA that offers a better comparison for the purposes of Spokane County.

Chart 4; Five Years (2004-2008) of Approved Conventional Mortgages by Percent MFI; Spokane MSA

This chart sets a trend line for current and future analysis of the Spokane MSA; five years of approved conventional mortgage applications, categorized by income level are represented. Those making less than 50% MFI had the lowest approval rate all five years; between 70%-80%. All higher income groups had approval rates of 80% or above. Future AI updates may include an analysis of the disparate impact to incarcerated and low-income people due to the relationship of minorities, incarceration and poverty levels.

Chart 5; Total Approved Conventional Mortgages by Percent MFI 2004-2008; Spokane MSA

This data for the Spokane MSA shows the total averages of Chart 4 including the approval rate and actual number of submitted and approved conventional mortgage applications. Those making less than 50% MFI had the lowest approval rate at 77%. All higher-income groups had approval rates of 85%-89% or above.

Refinance Loans

Chart 6; Five Years of Approved Refinance Loans by Race/Ethnicity percentages; Spokane MSA

This chart is used to identify trends of discrimination in home refinance lending. It provides a trend line for current and future analysis of the refinance lending practices reported for the Spokane MSA. Approval rates range from 45% - 90%, with fluctuations among racial categories from 1%-40%. Details on the fluctuation and reasons for denial are located in Appendix B.1. (4-3 & 8-3).

Chart 7; Total Refinance Loans Approved by Race/Ethnicity 2004-2008; Spokane MSA

This data for the Spokane MSA shows the total averages of Chart 6 with the approval rate and the actual number of submitted and approved applications for refinance loans. The lowest rate of approval was 58%. Actual numbers show this represents less than 1000 applications. Approval rates for White, non Hispanic categories were in the low 90 percentile and actual numbers show over 50,000 applications submitted for the same group. Compared to national data (Chart 8) the Spokane MSA approves refinance loans at a relatively high rate.

Chart 8; Approved National Refinance Loans 2008 by Race/Ethnicity & Chart 9; Approved National Refinance Loans 2008 by Race/Ethnicity Continued

This data was broken into two charts due to the extreme spikes caused by the numbers of submitted and approved loans among White, non Hispanic people. Both charts have 2008 national data and show approved refinance loans at the national level, which provides data for comparison with the Spokane MSA. The lowest rate of approval was 37% with actual applications of less than 100,000. Approval rates for White, non Hispanic categories were in the upper 60 percentile and actual numbers show over 5,000,000 submitted applications for the same group.

Chart 10; Five Years (2004-2008) of Approved Refinance Loans by Percent MFI and Percent Approved; Spokane MSA

This chart sets a trend line for current and future analysis of the Spokane MSA; five years of approved refinance loan applications categorized by income level are represented. Those making less than 50% MFI had the lowest approval rate all five years around 55%+-. All higher income groups had approval rates of 63% or above with the highest rates of approval for those with incomes over 120% MFI and in the category of "Income not Available". It is unclear why a lending institution would loan to an individual and not consider their income. Assets as collateral are a possible explanation.

Chart 11; Total Refinance Loans Approved by Percent MFI; Spokane MSA

This data for the Spokane MSA, shows the total averages of Chart 10 including the approval rate and actual number of submitted and approved refinance loan applications. Those making less than 50% MFI had the lowest approval rate at 67%. Those with income levels of 50% - 119% had approval rates of 84%-89%. Those with incomes 120% or over MFI were approved at 96%. Less than 4,000 applications were approved from "Income not available" at a rate of 92%.

Chart 12; Approved National Refinance Loans 2008 by Income Level.

This 2008 national data show approved national refinance loan applications, which provides data for comparison with the Spokane MSA data. Nationally, 500,000 people with incomes below 50% MSA/MD (metropolitan statistical area/municipal district) applied for refinance loans and 47% of the loans were approved. Those with incomes between 50% -119% of MSA/MD

were approved at rates between 56% - 62%. Those applications from the income bracket of 120% or above MSA/MD was 67%. Those applications with "Income not available" were approved at 80%.

Federal Housing Agency/Farm Service Agency/Rural Housing Service/Veterans Administration Home Purchase Loans Charts:

Chart 13: Five Years of Approved FHA/FSA/RHS/VA Home Purchase Loans by Race/Ethnicity; Spokane MSA

This chart and data set has been established to identify trends of discrimination in lending. It provides a trend line for current and future analysis of the Federal Housing Administration, Farm Service Agency, Rural Housing Service and Veterans Administration lending practices reported for the Spokane MSA. Approval rates range from 75% - 100%, with fluctuations within racial categories of 5% - 25%. These home purchase loans appear to have slightly higher overall approval ratings than conventional mortgages and refinance loans.

Chart 14: Total Approved FHA/FSA/RHS/VA Home Purchase Loans by Race/Ethnicity 2004-2008; Spokane MSA

This data for the Spokane MSA shows the total averages of Chart 13 with the number of submitted and approved applications as well as the approval rate of home purchase loans. The lowest rate of approval was 83%. Actual numbers show this represents less than 600 applications. Approval rates for White, non Hispanic categories were in the high 80 percentile and actual numbers show between 5,500 – 6,000 applications submitted for the same group. Compared to the national data in Charts 15 & 16, the Spokane MSA approves home purchase loans through these funding streams at a relatively high rate.

Chart 15: Approved National FHA/FSA/RHS/VA Home Purchase Loans 2008 by Race/Ethnicity & Chart 16: Approved National FHA/FSA/RHS/VA Home Purchase Loans 2008 by Race/Ethnicity (Continued)

This national data was broken into two charts eliminating the spikes in the bar graph, caused by the numbers of submitted and approved loans. They both show approved home purchase loans and provide data for comparison with the Spokane MSA. The lowest rate of approval was 68% with actual applications of less than 24,000. Approval rates for White, non Hispanic categories were in the upper 80 percentile and actual numbers show almost 1,000,000 applications submitted for the same group.

Chart 17: Five Years (2004-2008) of Approved FHA/FSA/RHS/VA Home Purchase Loans by Percent MFI and Percent Approved; Spokane MSA

This chart sets a trend line for current and future analysis of the Spokane MSA; five years of approved home purchase loan applications, categorized by income level, are represented. Those making less than 50% MFI had slightly lower approval rates compared to all other categories, with a 65% approval rate in 2007. Other income levels fluctuate slightly while remaining above 80% approval and reaching as high as 95%.

Chart 18: Total Approved FHA/FSA/RHS/VA Home Purchase Loans by Percent MFI; Spokane MSA

This data for the Spokane MSA, shows the total averages of Chart 17 including the approval rate and actual number of submitted and approved home purchase loan applications. Those making less than 50% MFI had the lowest approval rate at 77%. Those with income levels of 50%-119% had approval rates of 86%-90%. Those with incomes 120% or over MFI were

approved at 81%. Less than 125 applications were approved from "Income not available" at a rate of 82%.

Chart 19: Approved National FHA/FSA/RHS/VA Home Purchase Loans 2008 by Percent MFI.

This 2008 national data show approved home purchase loan applications, which provides data for comparison with the Spokane MSA data. Nationally, 100,000 people with incomes below 50% MSA/MD applied for home purchase loans and 71% of the loans were approved. Not all loans are accepted by the borrower and reasons for denial by the borrower are not provided. Loans not accepted by the borrower are not counted in the total. Those with incomes between 50% -119% of MSA/MD were approved at rates between 82% - 86%. Those applications from the income bracket of 120% or above MSA/MD was 87%. Those applications with "income not available" were approved at 71%.

Fair Housing and Lending Practices

The Federal Financial Institutions Examination Council (FFIEC) is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), and to make recommendation to promote uniformity in the supervision of financial institutions. In 2006, the State Liaison Committee (SLC) was added to the Council as a voting member. The SLC includes representative from the Conference of State Bank Supervisors (CSBS), the American Council of State Savings Supervisors (ACSSS), and the national Association of State Credit Union Supervisors (NASCUS). Any actual changes to lending policies or practices would need the support and guidance of the FFIEC at the national level to change lending practices at the local level.

The issue of discrimination in lending has been researched to understand why lenders may unconsciously approve one loan over another. One such study called "A Test of Cultural Affinity in Home Mortgage Lending" compares two theories, but is not conclusive. HUD processed only 60 fair lending complaints in 2008. Without HUD enforcement activities and HUD guidance, how can local jurisdictions affect lending practices adequately? As a HUD entitlement jurisdiction, Spokane County relies on the banking industry to do its due diligence when reviewing loan applications and be unbiased in their granting of loans.

HUD has an inherent conflict of interest with enforcing the law while maintaining partnerships with lenders, builders, real estate companies and apartment management companies. Spokane County is in a similar situation; working with local jurisdictions to promote fair housing through contracts and agreements, is the best way to keep fair housing issues fresh in the minds of decision makers and local communities. Furthermore, as Spokane County funds housing projects, it monitors for fair housing activities as a condition of funding in the area of advertising, lease up and housing quality standards.

Five Years of Approved Conventional Mortgages by Race/Ethnicity

Source: <http://www.ffiec.gov> Aggregate Table 4-2 (MSA Spokane, WA)

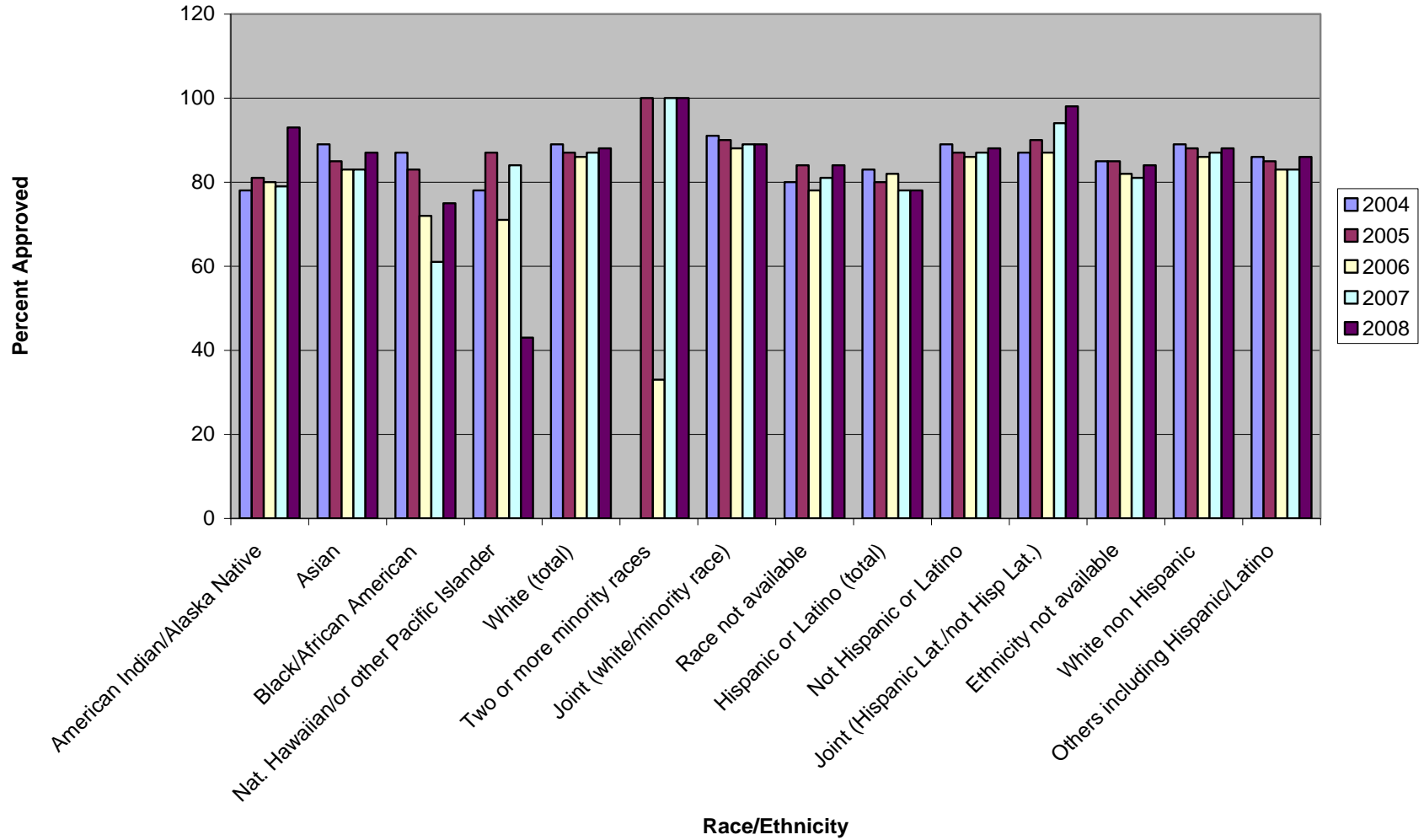


Chart 1

Total Approved Conventional Mortgages by Race/Ethnicity 2004-2008

Source: <http://www.ffiec.gov> Aggregate Table 4-2 (MSA Spokane, WA)

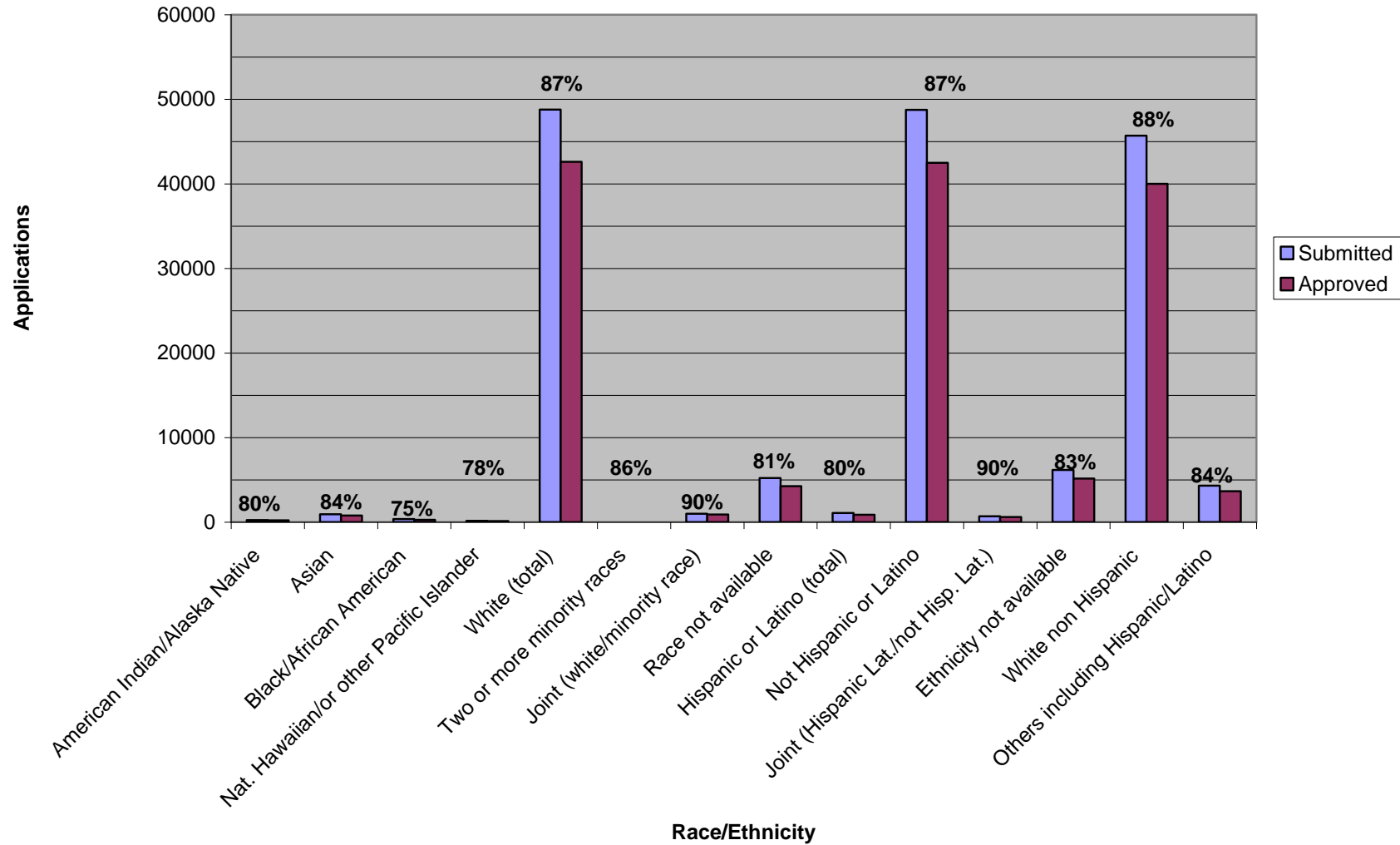


Chart 2

Approved National Conventional Mortgages 2008 by Race/Ethnicity

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-2

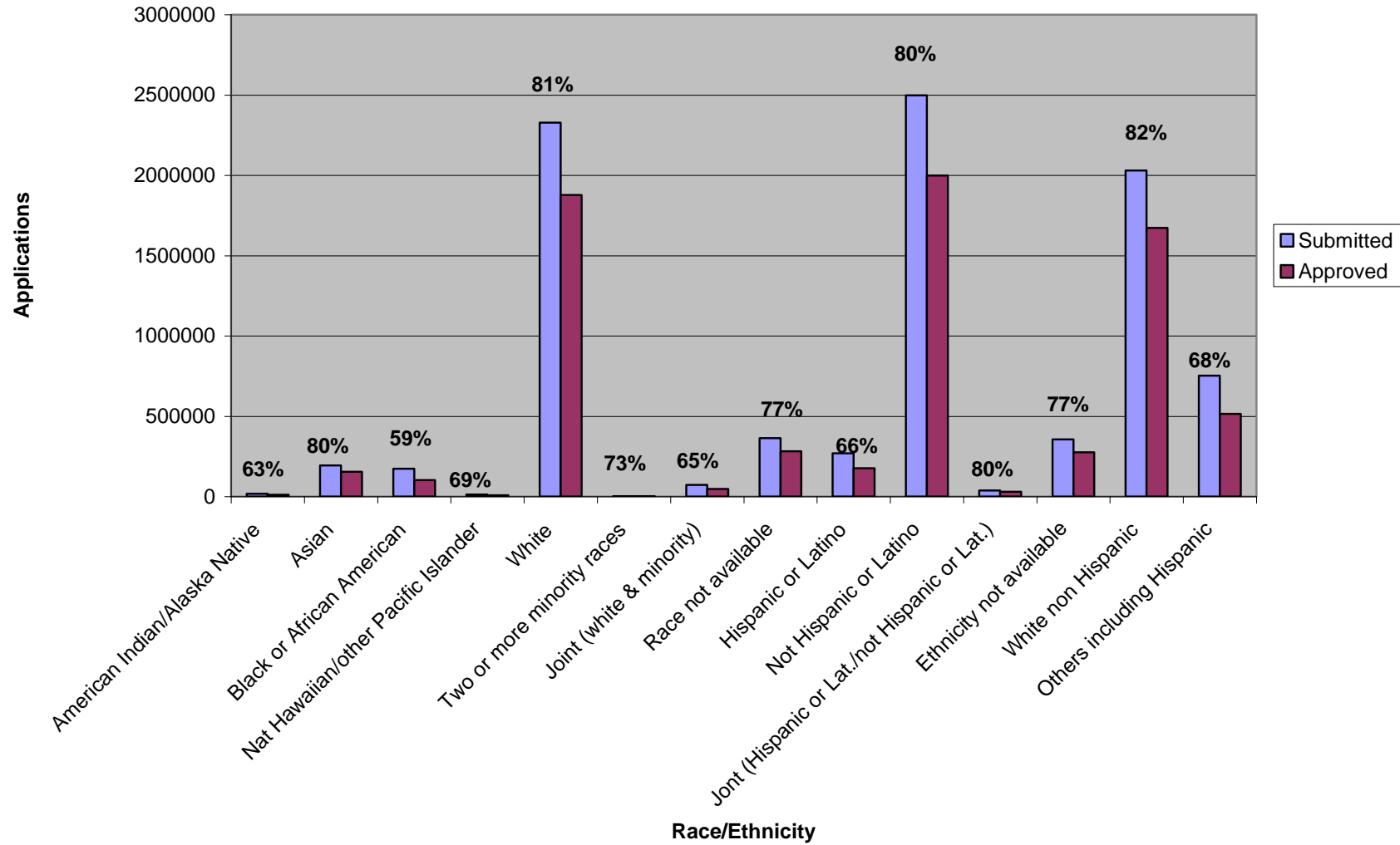


Chart 3

Five Years of Approved Conventional Mortgages by Percent Median Family Income (MFI)

Source: <http://www.ffiec.gov> Aggregate Table 4-2 (MSA Spokane, WA)

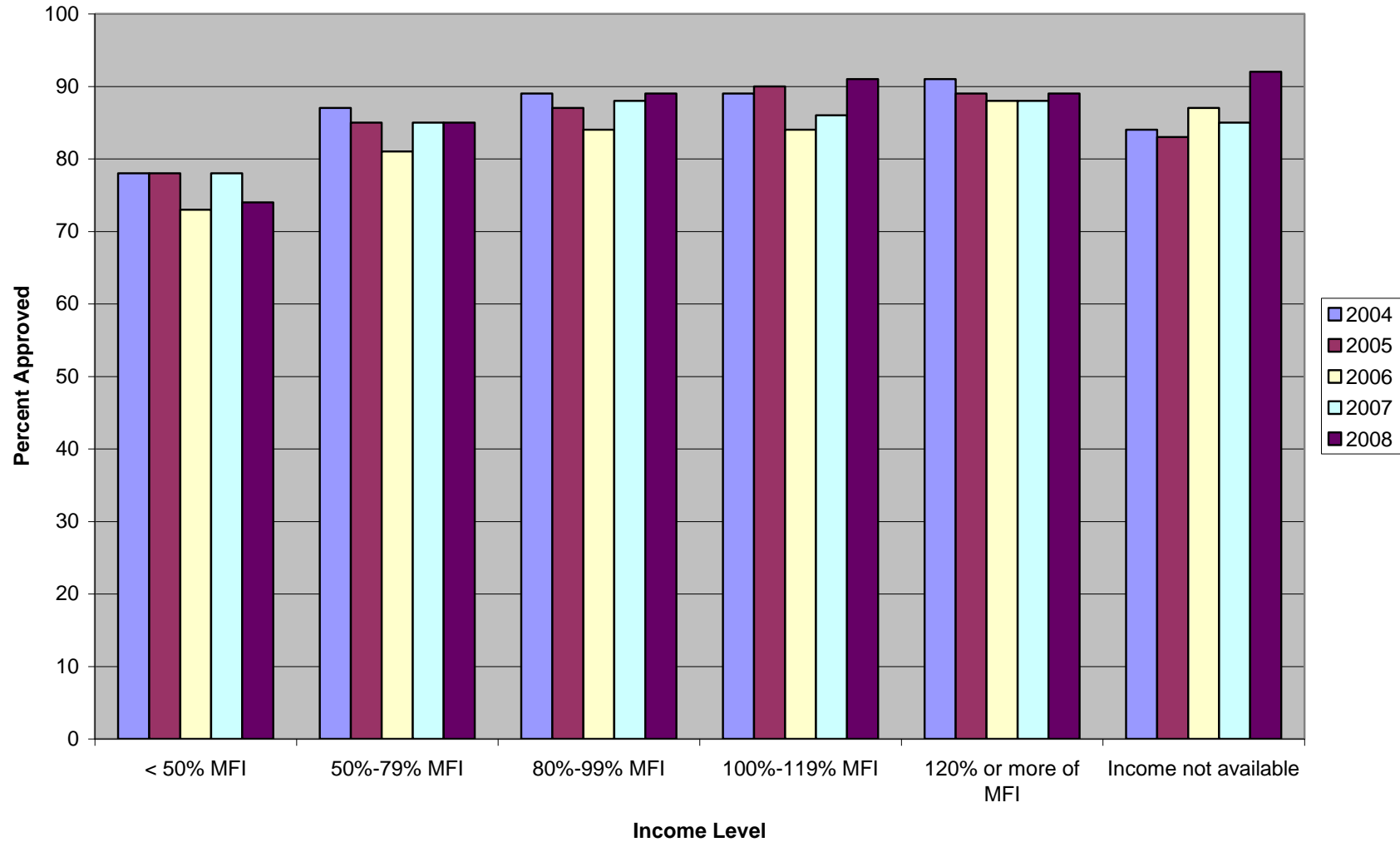


Chart 4

Total Approved Conventional Mortgages by Percent Median Family Income (MFI) 2004-2008

Source: <http://www.ffiec.gov> Aggregate Table 4-2 (MSA Spokane, WA)

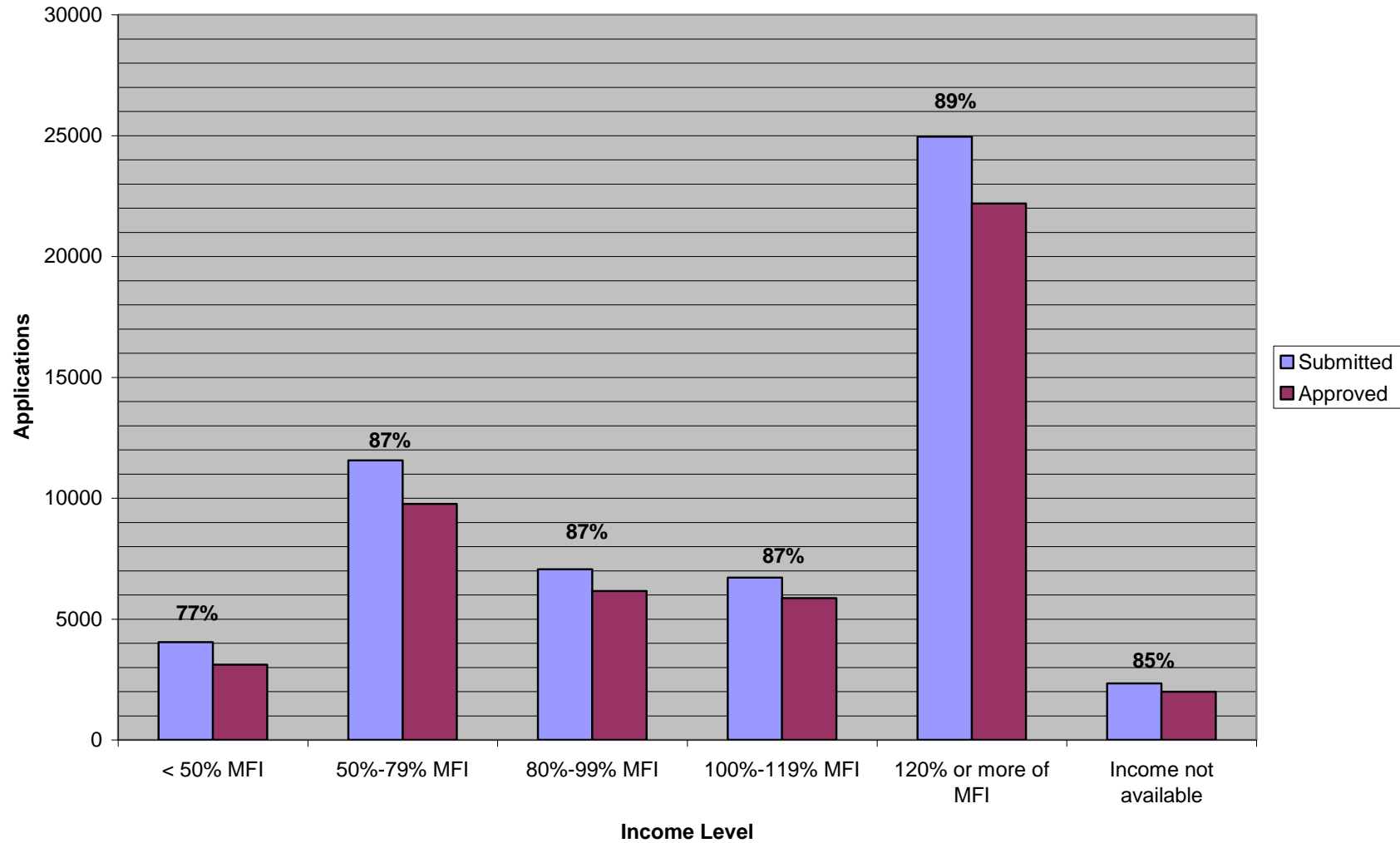


Chart 5

Five Years of Approved Refinance Loans by Race/Ethnicity

Source: <http://www.ffiec.gov> Aggregate Table 4-3 (MSA Spokane, WA)

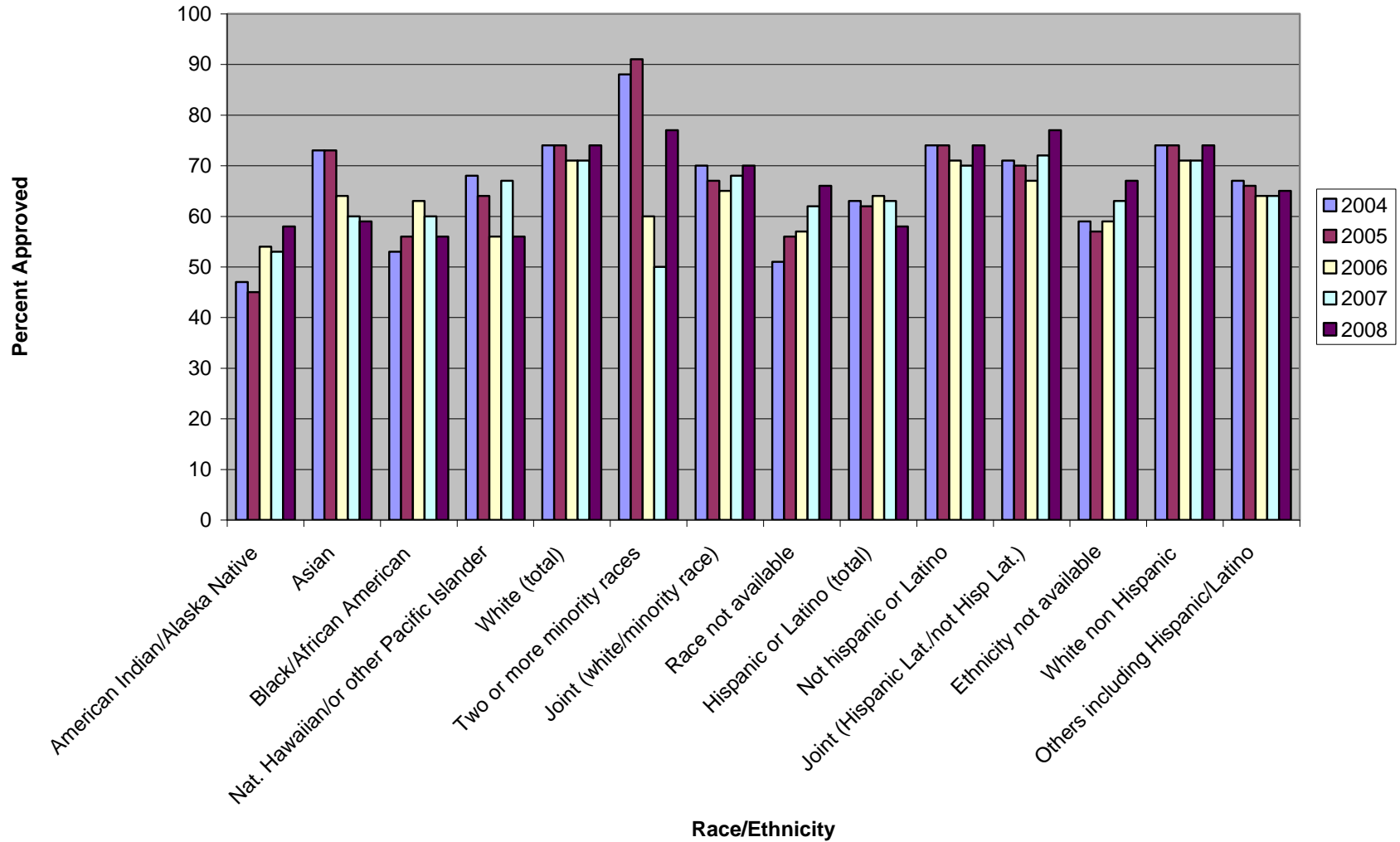


Chart 6

Total Refinance Loans Approved by Race/Ethnicity 2004-2008

Source: <http://www.ffiec.gov> Aggregate Table 4-3 (MSA Spokane, WA)

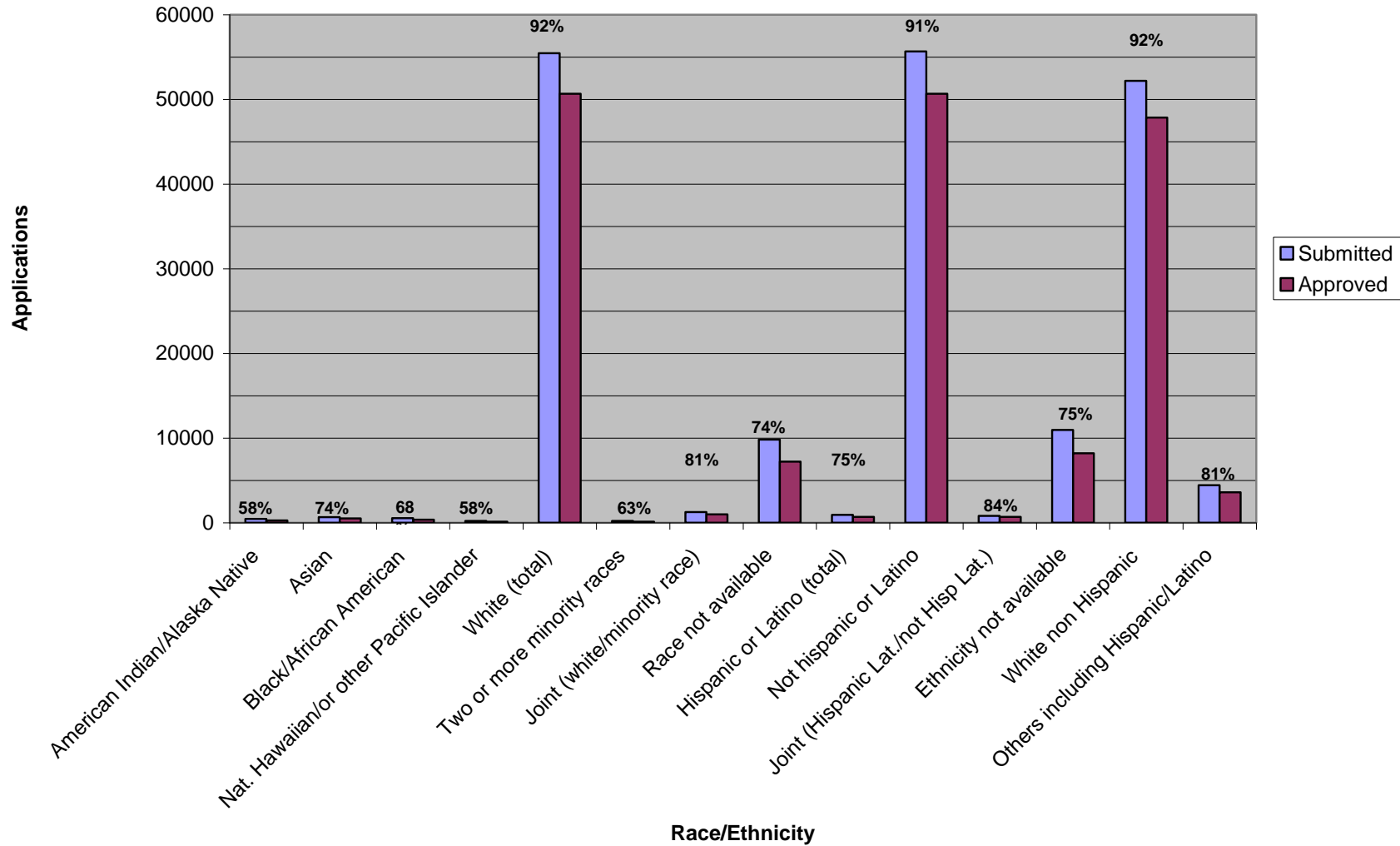


Chart 7

Approved National Refinance Loans by Race/Ethnicity

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-3

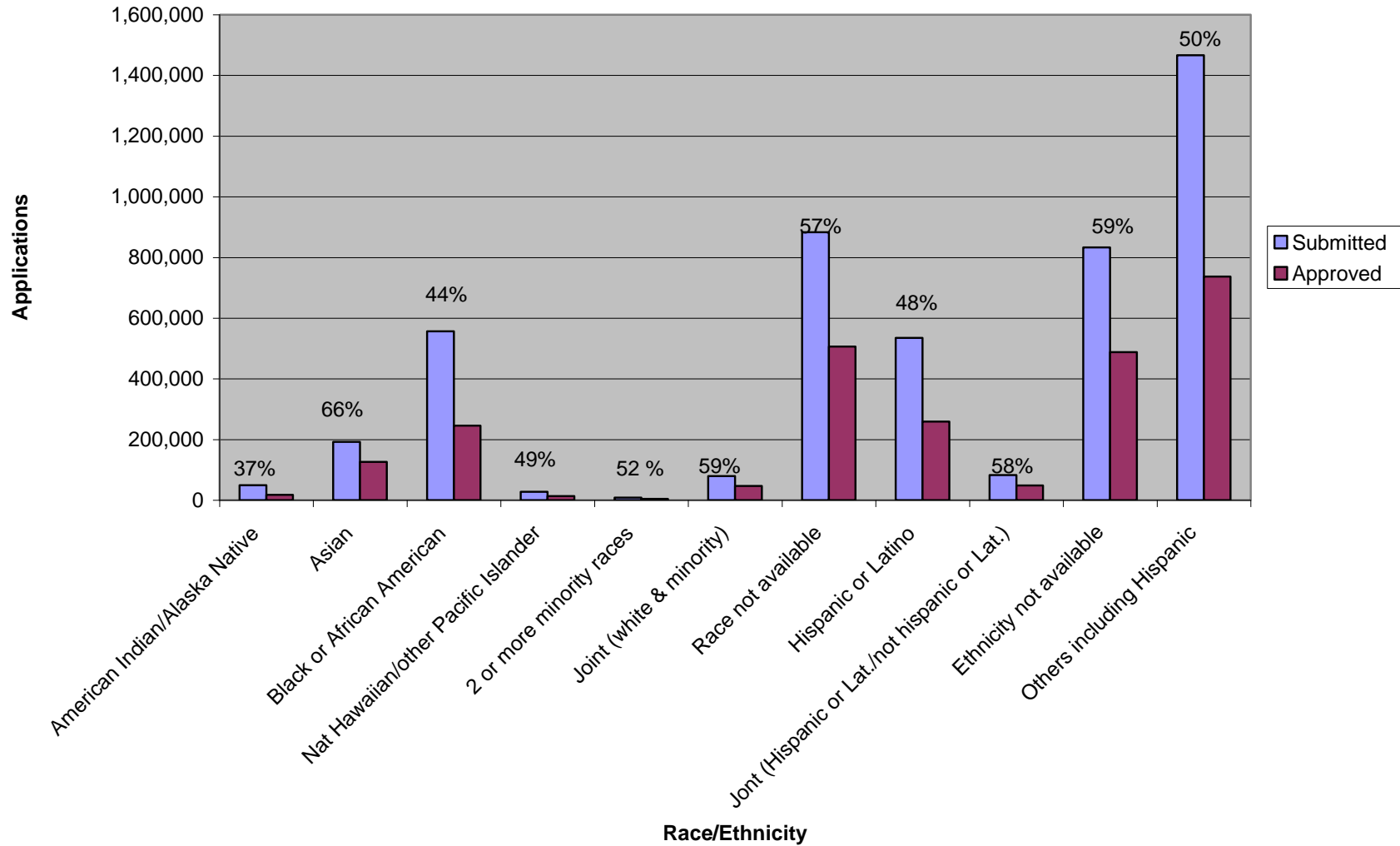


Chart 8

Approved National Refiance Loans by Race/Ethnicity Continued

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-3

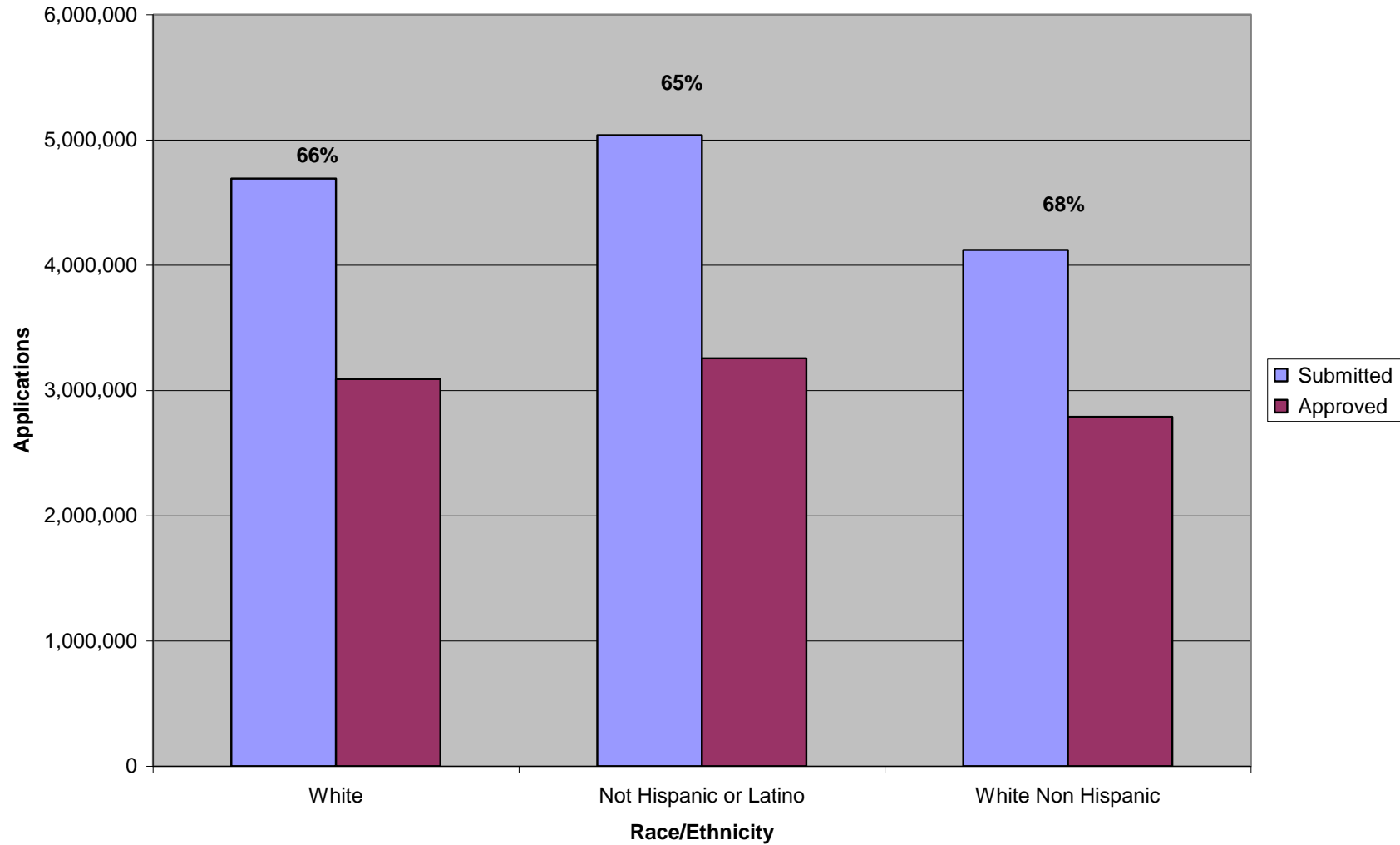


Chart 9

Five Years of Approved Refinance Loans by Percent Median Family Income (MFI)

Source: <http://www.ffiec.gov> Aggregate Table 4-3 (MSA Spokane, WA)

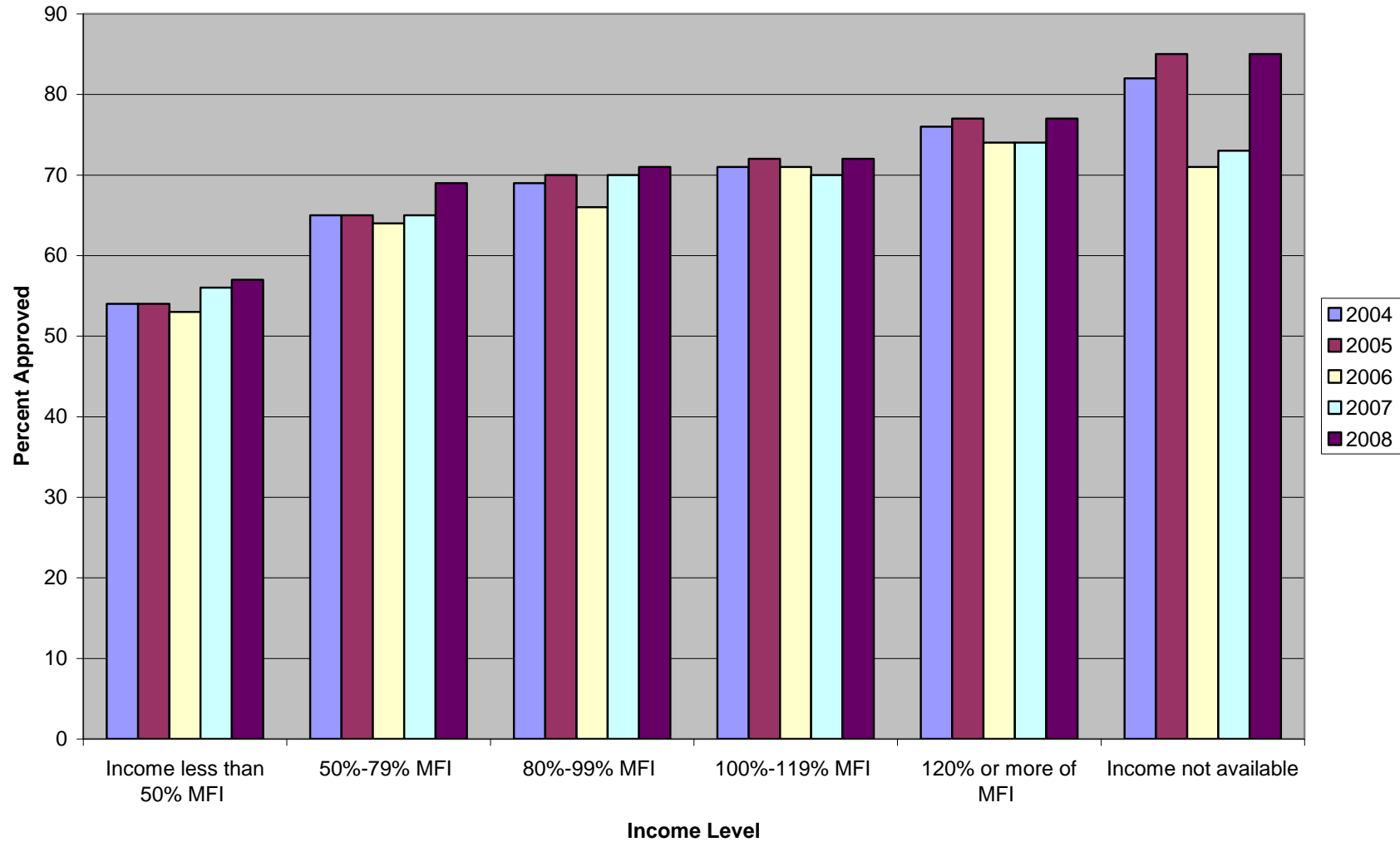


Chart 10

Total Refinance Loans Approved by Percent Median Family Income (MFI) 2004-2008

Source: <http://www.ffiec.gov> Aggregate Table 4-3 (MSA Spokane, WA)

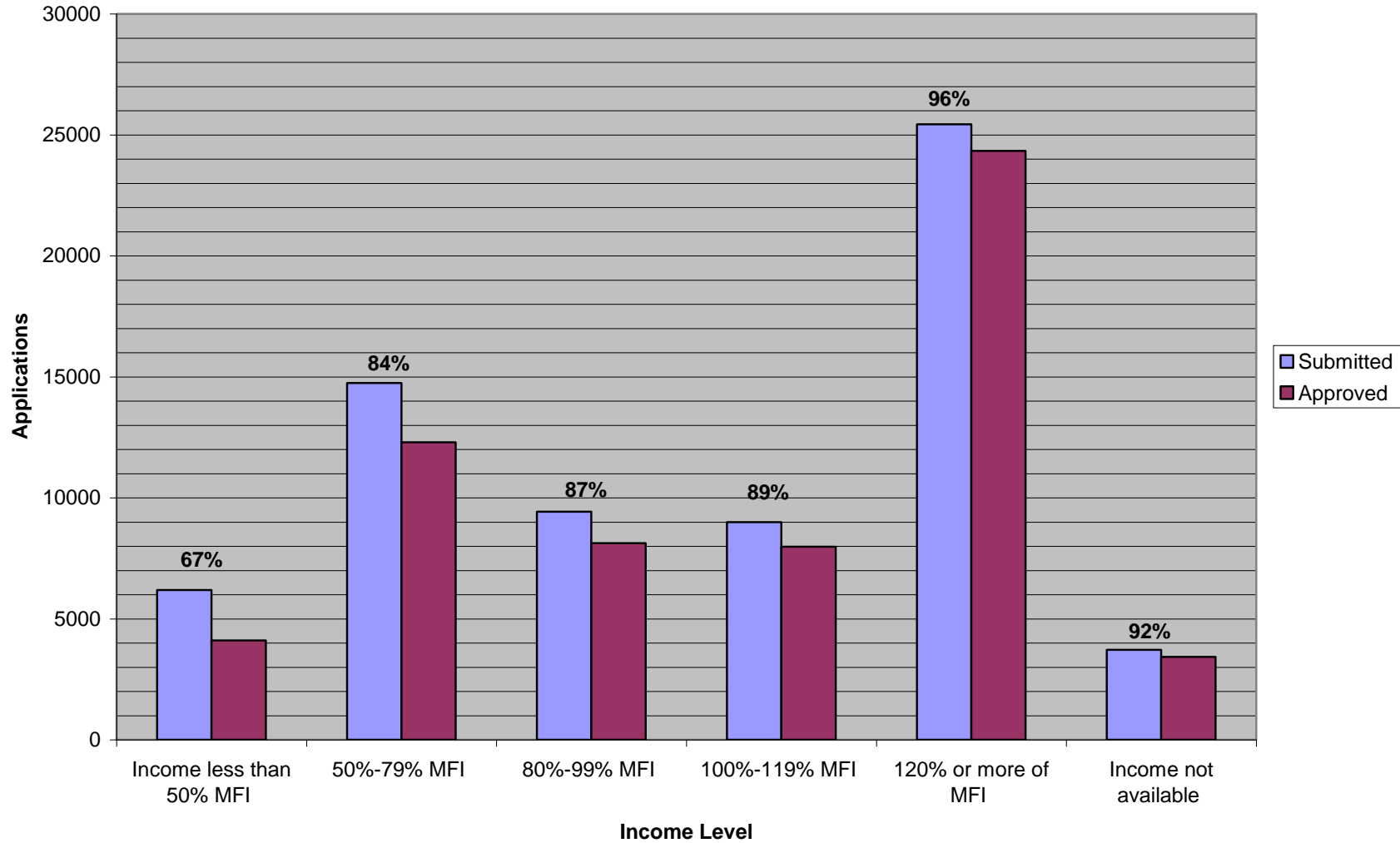


Chart 11

Approved National Refinance Loans by Income Level

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-3

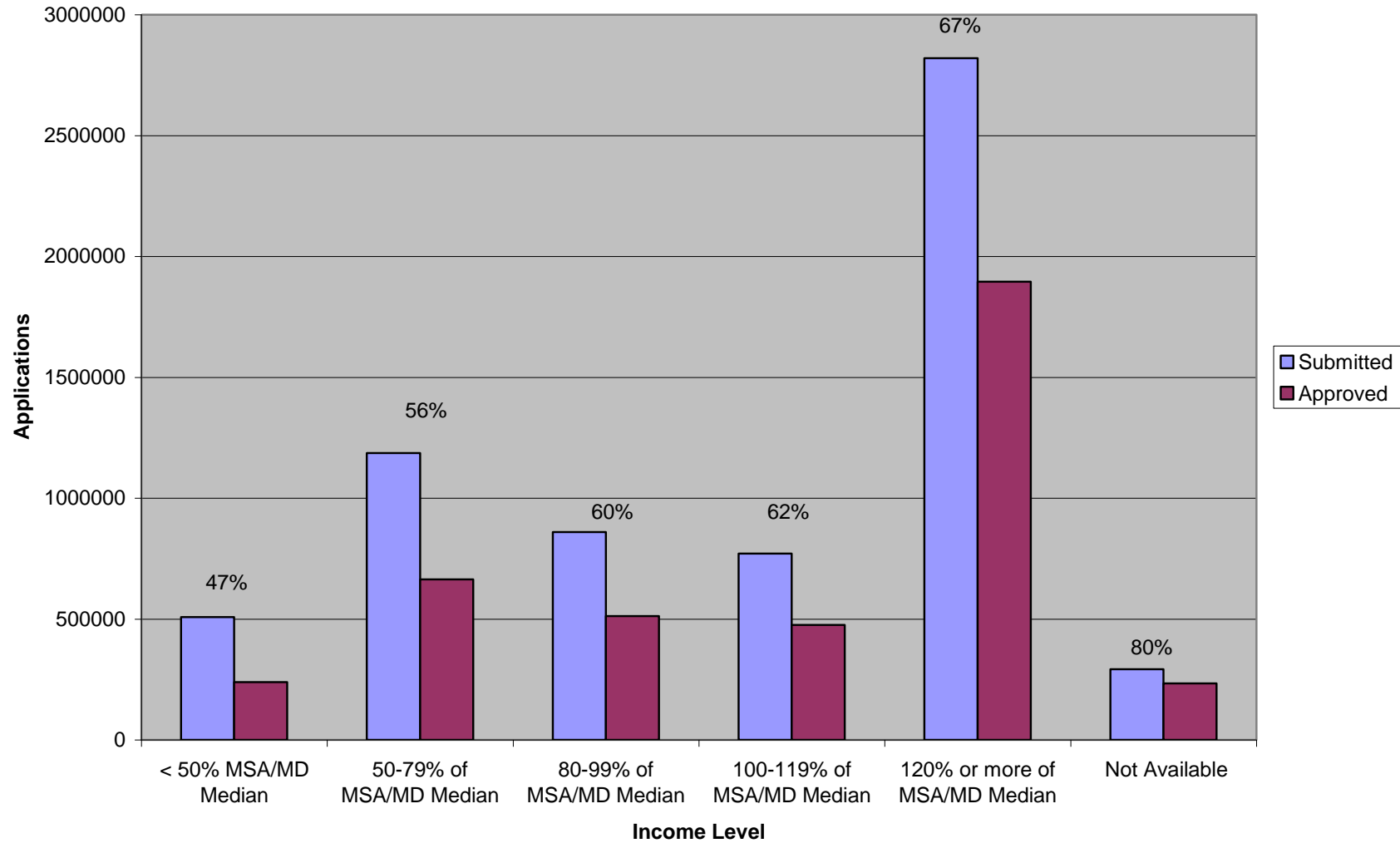


Chart 12

Five Years of Approved FHA/FSA/RHS/VA Home Purchase Loans by Race/Ethnicity 2004-2008

Source: <http://www.ffiec.gov> Aggregate Tables 4-1
(MSA Spokane, WA)

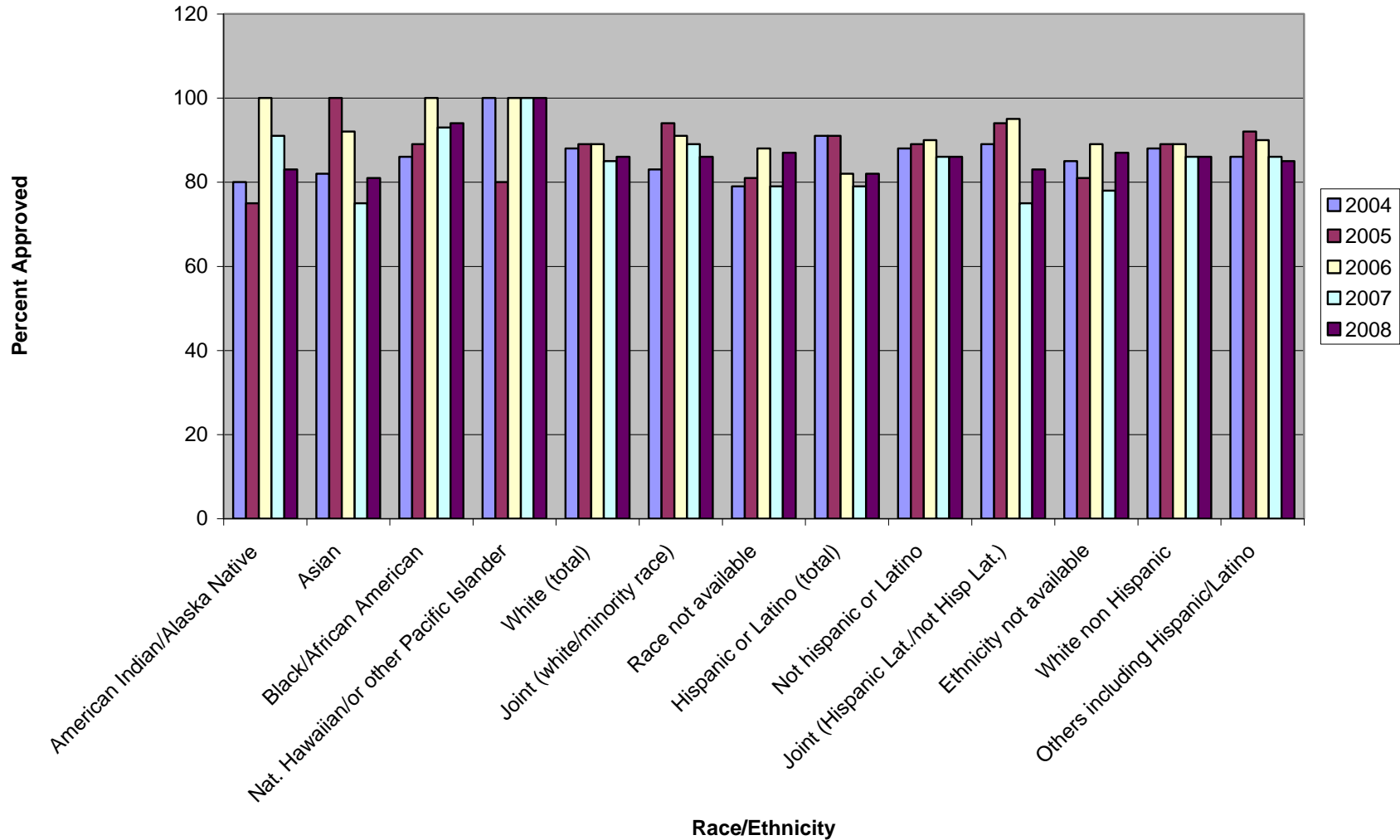


Chart 13

Total Approved FHA/FSA/RHS/VA Home Purchase Loans by Race/Ethnicity 2004-2008

Source: <http://www.ffiec.gov> Aggregate Table 4-1 (MSA Spokane, WA)

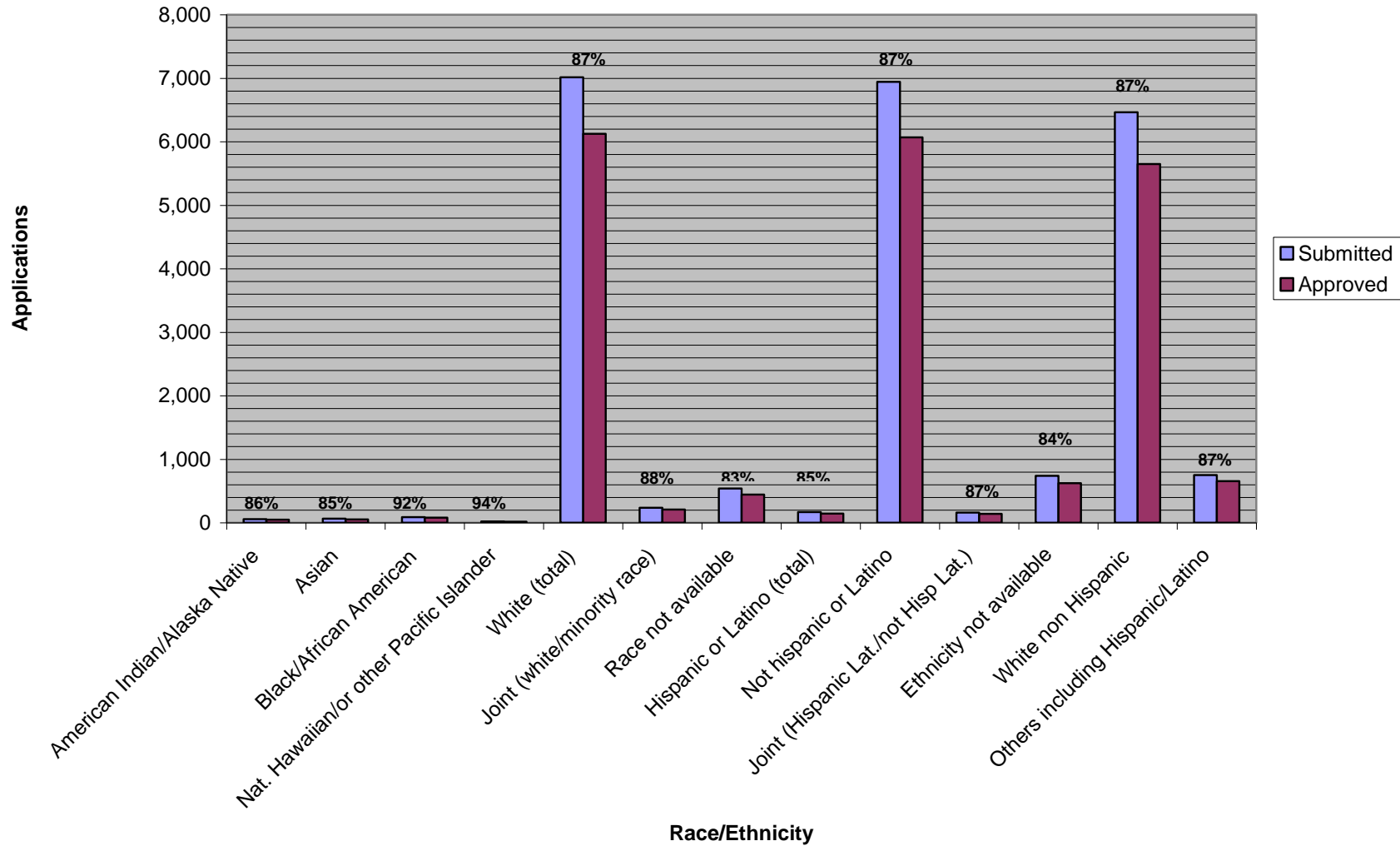


Chart 14

Approved National FHA/FSA/RHS/VA Loans by Race/Ethnicity

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-1

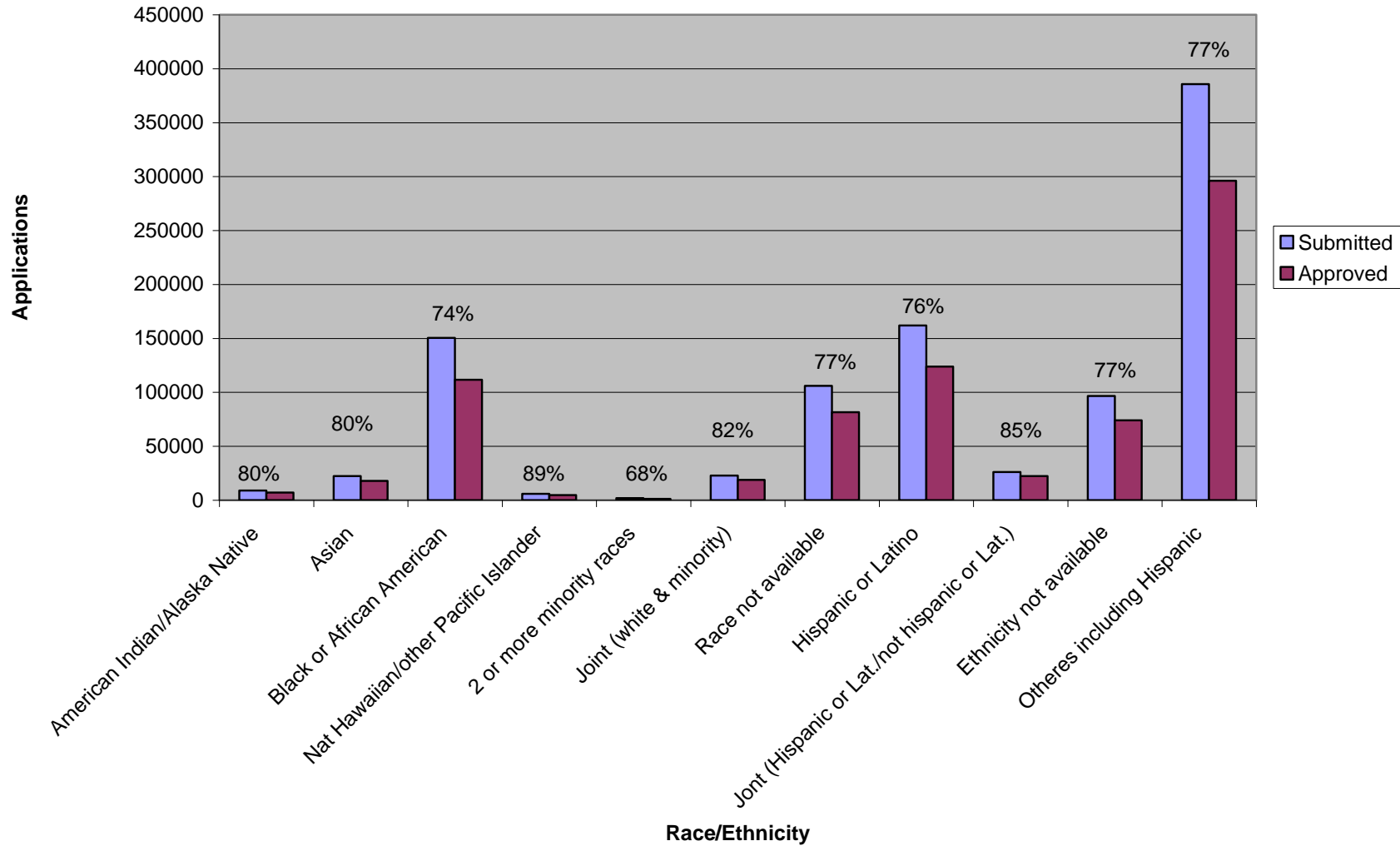


Chart 15

Approved National FHA/FSA/RHS/VA Loans by Race/Ethnicity cont.

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-1

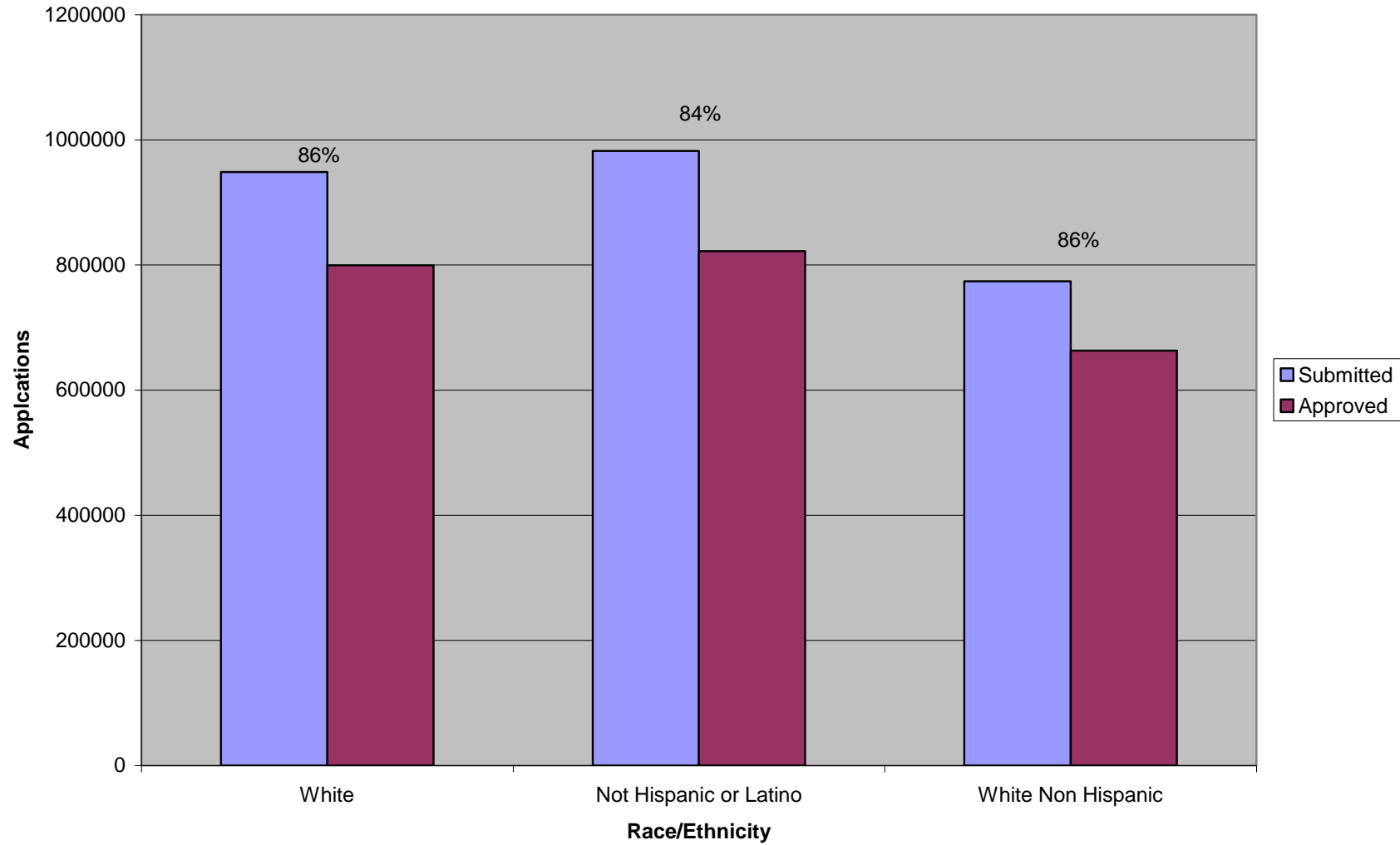


Chart 16

**Five Years of Approved FHA/FSA/RHS/VA Home Purchase Loans by Percent Median Family
Income (MFI) 2004-2008**

Source: <http://www.ffiec.gov> Aggregate Table 4-1 (MSA Spokane, WA)

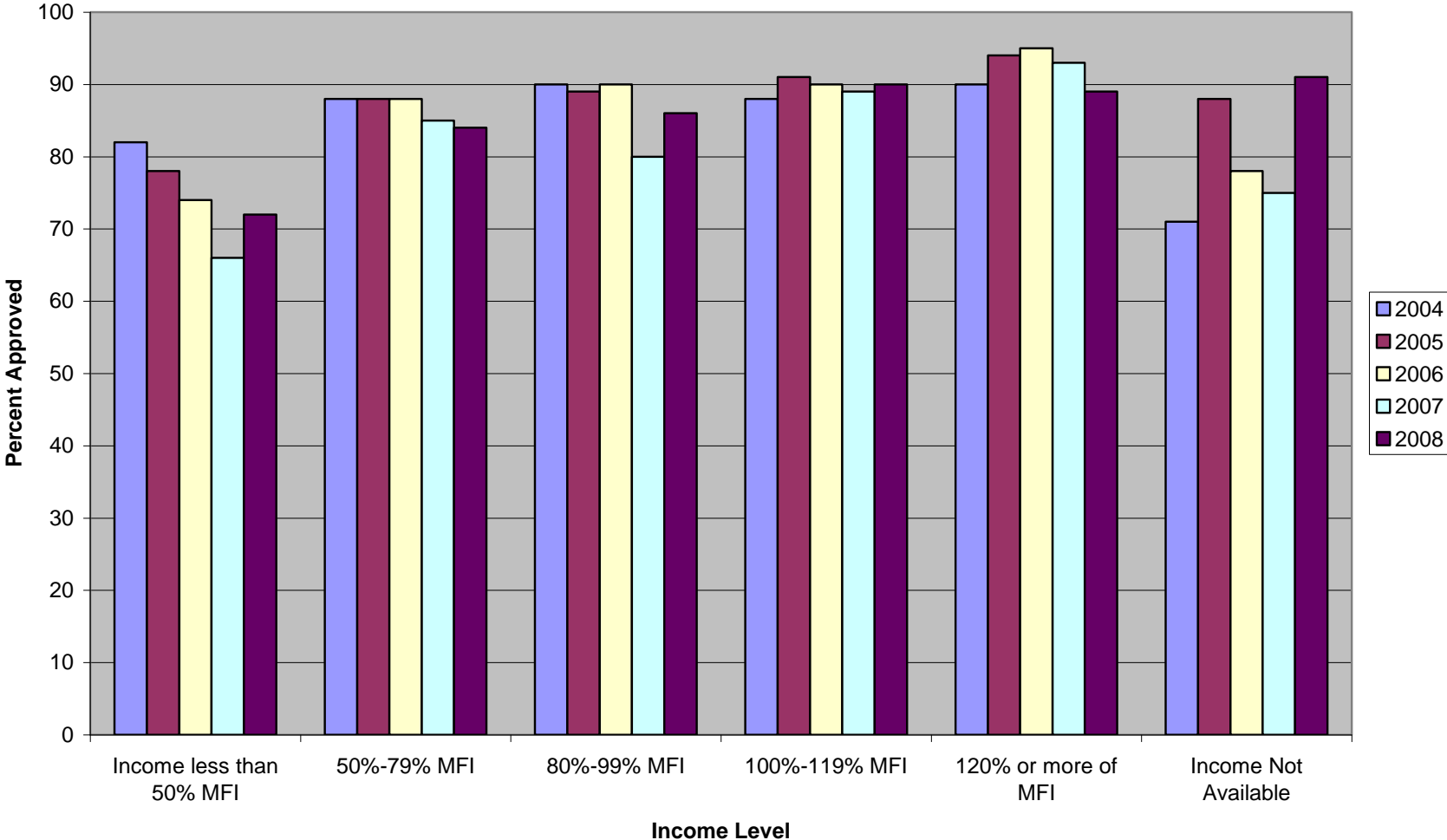


Chart 17

Total Approved FHA/FSA/RHS/VA Home Purchase Loans by Percent Median Family Income (MFI) 2004-2008

Source: <http://www.ffiec.gov> Aggregate Tables 4-1 (MSA Spokane, WA)

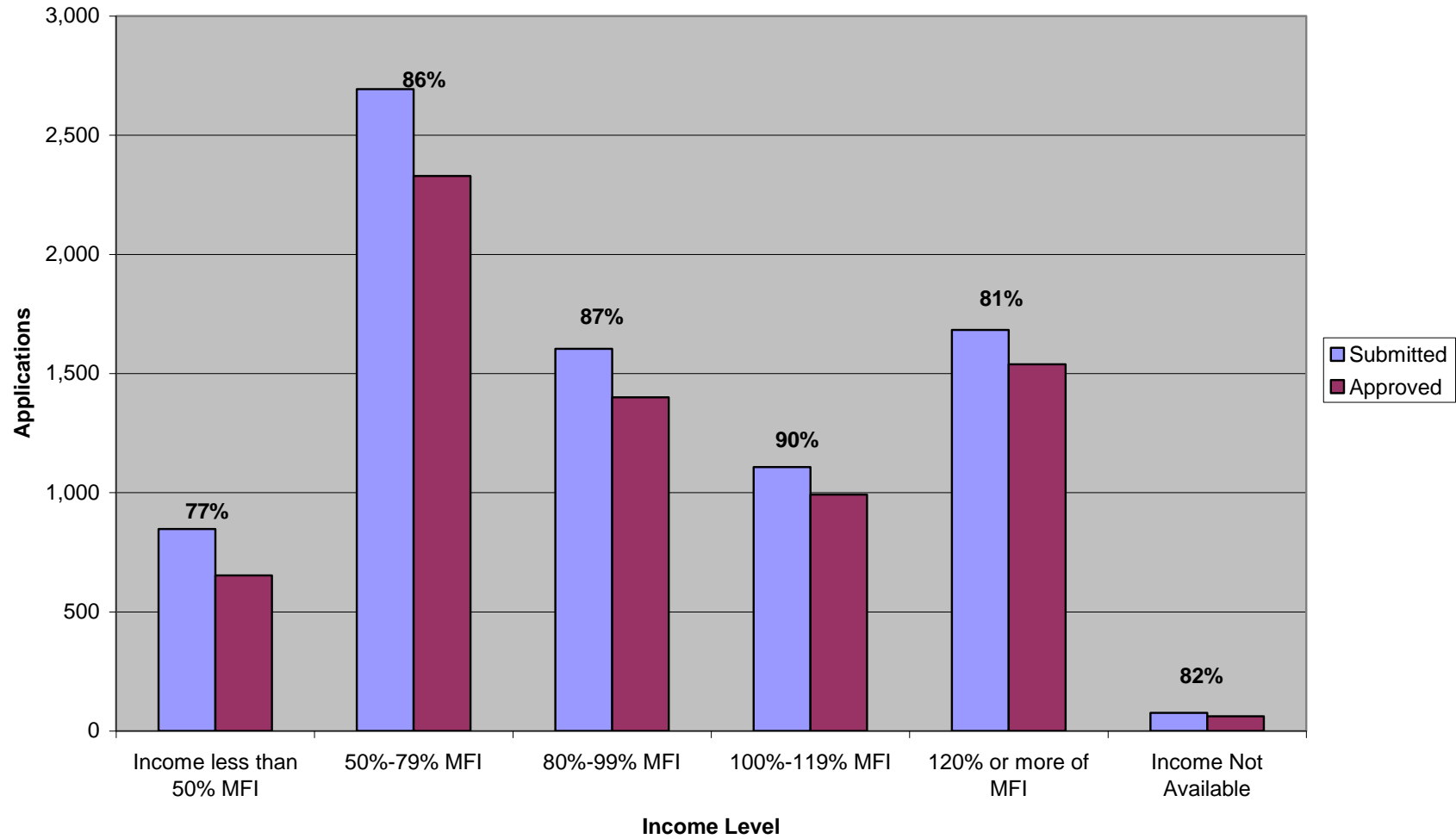
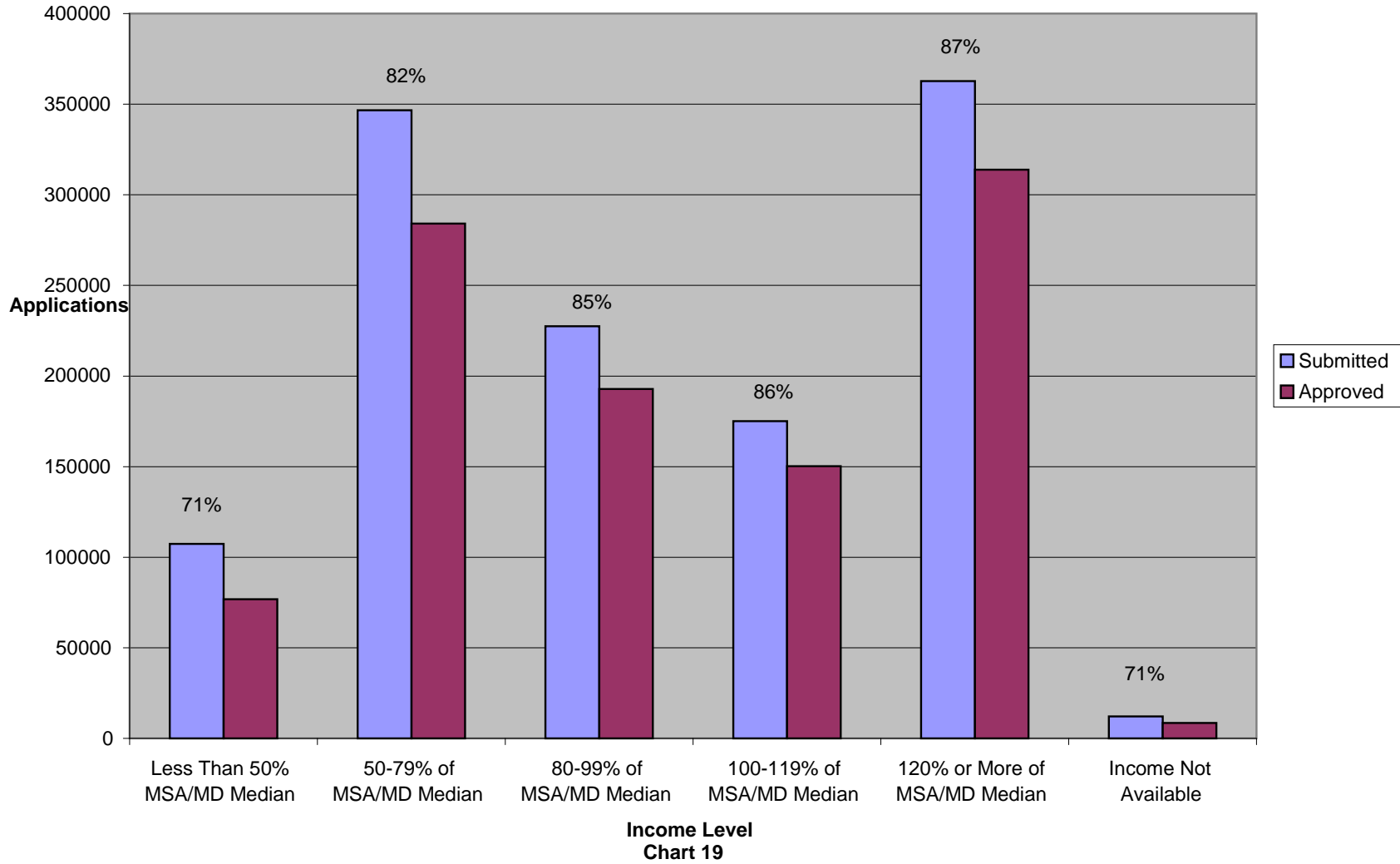


Chart 18

Approved National FHA/FSA/RHS/VA Loans by Percent of Median Family Income (MFI)

Source: <http://www.ffiec.gov> 2008 National Aggregate Table 4-1



Comprehensive Plan Review

Originally adopted in 1994, The Countywide Planning Policies for Spokane County (CWPP) were developed as required by the Washington State Growth Management Act (GMA). The CWPP were developed by the Steering Committee of Elected Officials; a body composed of 12 elected officials from jurisdictions throughout Spokane County established by interlocal agreements, with the responsibility of developing and carrying out the Countywide Planning Policies. In its introduction, the CWPP acknowledge a lack of diversity; “Ethnic Diversity – Spokane County does not currently have a wide diversity of peoples from differing ethnic, cultural or racial backgrounds. Early in the process of drafting the CWPP, the importance of encouraging ethnic diversity was recognized. Increased diversity is important to the area’s quality of life and economic vitality as it links with the global economy.”

Of utmost importance to GMA was the establishment of jurisdictional boundaries as Urban Growth Areas (UGAs) where future population growth would be targeted. Despite the establishment of UGAs, jurisdictions are required to plan for future growth together, consistent with the CWPP, and have consistent regulations which comply with GMA. The CWPP provided the framework for jurisdictions’ to produce a comprehensive plan because they were to be consistent with one another while addressing the unique situations or circumstances of each jurisdiction. At the same time, zoning codes meant to implement the comprehensive plans were being updated or produced to be consistent with the newly adopted comprehensive plans.

Table One is a list of Spokane County Urban Consortium members. For each jurisdiction, comprehensive plans were reviewed for consistency in fair housing goals and policies. Analysis of zoning codes is a specialty of lawyers and was not conducted. Northwest Fair Housing Alliance, as a HUD FHIP, would be the appropriate agency to conduct research and analyze the zoning codes of every jurisdiction in Spokane County and offer suggestions for improvements or assist with needed corrections.

Policy Topic Six in the CWPP covers the siting of essential public facilities (EPF). Some EPFs may be housing types for special needs populations and jurisdictions may plan the siting of these facilities with the adopted process. Other codes may not consider group homes, etc. to be essential public facilities and would treat them as “households” with related “family members”. Again, analysis of the adequacy of zoning code language was not part of this AI update. With no actual guidance with which to review code language from HUD, it would be a completely subjective review.

Policy Topic Seven in the CWPP covers affordable housing. Several policies in Policy Topic Seven are related to fair housing:

- Two (2) each jurisdiction’s comprehensive plan shall include policies and strategies to promote accessibility to service/activity centers, jobs and public transportation for special needs populations.
- Four (4) each jurisdiction’s development policies, regulations and standards should provide for the opportunity to create affordable housing in its community. Such policies may include regulatory tools, such as inclusionary zoning, performance/impact zoning, mixed-use development and incentives for increasing density to promote greater choice and affordable housing.
- Seven (7) Each jurisdiction’s comprehensive plan and development regulations shall recognize and incorporate the mandates of federal and state fair housing laws,

particularly as they relate to siting and development of housing for special-needs populations.

The CWPP of Spokane County also defines some common terms in order to be consistent from plan to plan and code to code. Following are the definitions related to fair housing:

- **Affordable Housing** - Adequate, appropriate shelter costing no more (including basic utilities) than 30 percent of a household's gross monthly income.
- **Essential Public Facilities** - Includes those facilities that are typically difficult to site, such as airports, colleges, universities, correctional facilities, solid waste stations, major highways or freeways, in-patient substance abuse treatment facilities, mental health facilities and group homes.
- **Inclusionary Zoning** - Regulations which increase housing choice by providing the opportunity to construct more affordable, diverse and economical housing to meet the needs of low and moderate-income families.
- **Low-Income Housing** – Housing that is economically feasible for families whose Income level is categorized as low within the standards set by CSHCD of Housing. 'Low income' is defined as 80% or less of the median family income for a particular market area.
- **Special-Needs Populations** - Groups of individuals who, by reason of age, physical, mental or other characteristics, require nontraditional living arrangements and, in some instances, are not able to operate a motorized vehicle.

Spokane County Comprehensive Plan; Fair Housing Goals and Policies

Chapter Six of the Spokane County Comprehensive Plan provides a vision for Housing; "Spokane County is a community that provides the opportunity for a variety of housing types and development patterns for all incomes and lifestyles while preserving the environment and the character of existing neighborhoods." The following Goals and Policies in the Spokane County Comprehensive Plan are related to fair housing:

- H.2.7; Ensure regulations do not create impediments to fair housing choice.
- H.3.7; Allow development of residential building that have shared facilities, such as single-room occupancy facilities, co-housing facilities and boarding homes. Ensure compatibility of residential uses through development standards.
- Goals H.5.a; Encourage housing that meets the requirements of special-needs populations in Spokane County. H.5.b; Promote fair and equal access to housing in Spokane County for all persons with special needs.
- H.5.1; Decision on locating special-needs housing should be based on the facilities, impacts on infrastructure and services and not be based on the circumstances of the occupants.
- H.5.2; Ensure that codes and ordinances allow for a continuum of housing and care opportunities for special-needs populations, such as emergency housing, transitional housing, congregate housing, independent living, assisted living, family-based living, intergenerational housing or institutions.
- H.5.3; Encourage the de-institutionalization of housing for the special-needs populations by improving opportunity for small-scale group homes.
- H.5.4; Provide incentives for the development of special-needs housing.

- H.5.5; Adopt a process, consistent with the CWPP, for the siting of those special-needs housing projects defined as essential public facilities, The process shall be coordinated and consistent within all Spokane jurisdictions.
- H.5.6; Ensure the development of housing units for individuals with disabilities, consistent with the American with Disabilities Act. (ADA)
- Goal H.6; Ensure fair and equal access to housing in Spokane County for all persons.
- H.6.1; Ensure fair housing provisions that are consistent with the Federal Fair Housing Act.

The implementation mechanism for the Comprehensive Plan is the Zone Code. No challenges have been brought to the Spokane County Zone Code or the codes of any jurisdictions within the County, related to fair housing. Therefore, we are confident that Spokane County and all its jurisdictions are honoring their commitment to fair housing choice as required. However, should information to the contrary be made available further research and an investigation will occur.

**Table 1
Comprehensive Plan Reviews for Spokane County Consortium Member Cities and Towns**

Jurisdiction Name	Reference to Countywide Planning Policies	Other Fair Housing Policy Reference Numbers	Essential Public Facilities Reference
Spokane County	Yes	Yes; H.2.7, H.3.7, H.5a, H.5b, H.5.1-H.5.6, H.6, H.6.1	Yes
Airway Heights	Yes	Yes; table 8.1	Yes
Cheney	Yes		Yes
Deer Park	Yes	Yes; 1-1 & 1-4	
Fairfield	Yes		Yes
Latah	Yes	Yes; Goal 1 Policies; 1-1 through 1-6	Yes
Liberty Lake	Yes	Yes, Policies; LU.7.11, LU.7.12, LU.7.13, H.4a, H.4b, H.4.1-4.8, H.5	Yes
Medical Lake	Yes		Yes
Millwood	Yes		Yes
Rockford	Yes	Yes; Goal 1, Policies; 1-1, 1-4,	Yes
Spangle	Yes		Yes
Spokane Valley	Yes	Yes, Policies; 5.1.3.2, 5.2.3 2 HG-3, HP-3.1, HP-3.2, HP3.5	Yes
Waverly	Yes	Yes; Goal 1 Policies; 1-1 through 1-6	Yes

Fair Housing Complaints

An important measurement tool is the data collected by three agencies responsible for investigating fair housing complaints in Spokane County; the Washington State Human Rights Commission (WSHRC), the Spokane HUD office of Fair Housing and Equal Opportunity (OFHEO) and the Northwest Fair Housing Alliance (NFHA). When any Spokane County department receives a call about discrimination or fair housing they refer the caller to these valuable community partners who are experts.

HUD Office of Fair Housing and Equal Opportunity (OFHEO)

The mission of the HUD OFHEO is to enforce the Fair Housing Act and other civil rights laws to ensure the right of equal housing opportunity and free and fair housing choice without discrimination based on race, color, religion, sex, national origin, disability or family composition.

Washington State Human Rights Commission (WSHRC)

The Human Rights Commission is composed of five members appointed by the Governor. The Commissioners provide policy direction for the agency, adopt agency regulations and make the final determination on all complaints investigated by staff. The Commissioners meet monthly at locations around the state. The mission of the WSHRC is to eliminate and prevent discrimination through the fair, efficient, and effective application of the law. The local WSHRC office assists the HUD OFHEO with investigations of fair housing complaints. State law extends protected class categories by including sexual orientation and gender identity, Veteran and Military Status protections, and protection for victims of domestic violence. Therefore, if the complaint is for these protected classes it would be a state violation rather than a federal violation and fall under WSHRC jurisdiction.

Northwest Fair Housing Alliance (NFHA)

The NFHA is a non-profit fair housing group serving eastern and central Washington. The Mission of the NFHA is to eliminate housing discrimination and to ensure equal housing opportunity for the people of Washington State through education, counseling and advocacy. NFHA is the recipient of a HUD Fair Housing Initiatives Program (FHIP) grant for education and outreach. The 2010 grant award is \$99,197. The NFHA will use these funds to expand services, focusing on regions with high rates of loan denials, subprime lending and foreclosures, especially communities with limited English proficiency. The organization also received funding under a 3 year performance based FHIP Private Enforcement Initiative (PEI) grant. NFHA reports directly to HUD on a quarterly basis for these grant funds. The reports indicate that a tracking system is established and in place to track complaints.

The Complaint Process

An individual who believes they have been discriminated against may file a complaint with any of the three listed entities above, all of which are located in the city of Spokane's downtown area. The agencies work together to track the status of complaints thereby eliminating duplication in reporting. Identifiers in the complaint data within this report have been removed after comparison of the lists provided by HUD and WSHRC.

Once a complaint is filed with one of these entities, the parties are encouraged to resolve the complaint by participating in negotiations designed to reach resolution and to protect the public's interest. Nationally, and at the state level, a high percentage of complaints are closed by conciliation or predetermination settlement. If conciliation cannot be achieved there is a finding to determine if evidence of reasonable cause exists to support a violation of fair housing law. Some complaints will be closed with a "no cause" determination due to insufficient evidence to support a reasonable cause finding. If reasonable cause exists to support an allegation of housing discrimination, the case may be given an administrative hearing or be heard in superior or federal court.

Complaints Filed in Spokane County

According to the information compiled in Table Two, 43 fair housing complaints were filed by Spokane County residents during 2003-2009. Of those; 17 were dismissed for no cause, one was withdrawn by the complainant; one complainant failed to cooperate, five were withdrawn for no benefit, nine ended in conciliation and settlement, one was withdrawn with settlement, four are pending, and five resulted in pre-finding settlement (PFS) agreements.

No complaints were reported related to real estate transactions for home buyers.

Complaints which appear to have been settled may have involved settlement payments to the complainant. While they may have avoided formal action by HUD, the discriminating party found it in their best interest to settle the case out of court. HUD OFHEO and WSHRC do not provide details of settlement agreements. Therefore, the costs of neglecting to follow fair housing law is not evident nor is it used as a deterrent to those who may read about such settlements or hear about them in the media. For example; a complainant alleged that when she applied for an apartment she was told her service animal would have to be certified and trained, contrary to the law. The WSHRC investigated and the apartment manager learned that they were wrong in making such a demand. The respondent paid the complainant \$2,000 and agreed to take fair housing training classes while admitting no wrong doing. Clearly, ignorance can be costly to property managers, landlords or anyone who advertises a rental property.

Table #2
Complaints by Complaint Type

Basis	City	Issue	Status
Creed, Race	Spokane Valley	Discr. Advertising, Statements & Notices; Terms & Conditions	No Cause
Disability	Airway Heights	Intimidation, Reasonable Accommodation, Terms & Conditions	PFS
Disability	Cheney	Refusal to Rent	WD/No Benefits
Disability	Cheney	Reasonable Accommodation	PFS
Disability	Liberty Lake	Refusal to Rent, Reasonable Accommodation	WD/Settlement
Disability	Liberty Lake	Refusal to Rent	WD/No Benefits
Disability	Spokane	Reasonable Accommodation, Terms & Conditions	PFS
Disability	Spokane Valley	Refusal to Rent, Discr. Advertising, Statements & Notices, Terms & Conditions	WD/No Benefits

Disability	Spokane Valley	Refusal to Rent, Discr. Advertising, Statements & Notices, Terms & Conditions	WD/No Benefits
Disability	Spokane Valley	Reasonable Accommodation	No Cause
Disability	Spokane Valley	Refusal to Rent, Reasonable Accom., Terms & Conditions	No Cause
Disability	Spokane Valley	Discrimination in terms/conditions/privileges relating to rental. Discriminatory refusal to rent.	No cause determination
Disability	Spokane Valley	Discriminatory refusal to rent. Discriminatory acts under Section 818 (coercion, etc.)	No cause determination
Disability	Spokane Valley	Discriminatory terms, conditions, privileges, or services and facilities. Non-compliance with design and construction requirements (ADA)	No cause determination
Disability	Spokane Valley	Discrimination in terms/conditions/privileges relating to rental.	Conciliation/settlement successful
Disability	Spokane Valley	Discriminatory acts under Section 818 (coercion, etc.)	Conciliation/settlement successful
Disability	Spokane Valley	Discriminatory refusal to rent. Failure to make reasonable accommodation.	Conciliation/settlement successful
Disability	Spokane Valley	Failure to make reasonable accommodation.	No cause determination
Disability	Spokane Valley	Discriminatory refusal to rent.	Conciliation/settlement successful
Disability	Spokane Valley	Failure to make reasonable accommodation.	No cause determination

Disability	Spokane Valley	Discriminatory acts under Section 818 (coercion, etc.) Failure to make reasonable accommodation.	Conciliation/settlement successful
Disability	Veradale	Discrimination in terms/conditions/privileges relating to rental.	No cause determination
Disability	Veradale	Failure to make reasonable accommodation.	No cause determination
Disability, Familial Status	Elk	Terms & Conditions	No Cause
Disability, Retaliation	Airway Heights	Discriminatory terms, conditions, privileges, or services and facilities. Failure to make reasonable accommodation.	Conciliation/settlement successful
Disability, Retaliation	Spokane Valley	Reasonable Accommodation	Pending
Disability, Retaliation	Spokane Valley	Discrimination in terms/conditions/privileges relating to rental. Other discriminatory acts. Failure to permit reasonable modification.	No cause
Disability, Sex, Retaliation	Medical Lake	Refusal to Rent, Discr. Advertising, Statements & Notices, Terms & Conditions	PFS
Familial Status	Liberty Lake	Discr. Advertising, Statements & Notices	PFS
Familial Status	Nine Mile Falls	Discr. Advertising, Statements & Notices; Refusal to Sell, Discr. Financing	No Cause
Familial Status	Spokane Valley	Terms & Conditions	No Cause
Familial Status	Spokane Valley	Discr. Advertising, Statements & Notices, Steering, Failure to Meet Senior Housing Exemption, Terms & Conditions	WD/No Benefits

Familial Status	Spokane Valley	Refusal to Rent	Pending
Familial Status	Veradale	Refusal to Rent	RC/Pending
Family Status	Veradale	Discriminatory refusal to rent.	Conciliation/settlement successful
Race	Cheney	Refusal to Rent	A.C./Failure to Cooperate
Race	Elk	Discriminatory acts under Section 818 (coercion, etc.)	Complaint withdrawn by complainant without resolution
Race, Retaliation	Spokane Valley	Terms & Conditions	No Cause
Race, Retaliation	Spokane Valley	Harassment, Terms & Conditions	No Cause
Race, Sex	Airway Heights	Harassment, Terms & Conditions	RC/Pending
Race, Sex	Airway Heights	Discriminatory terms, conditions, privileges, or services and facilities.	Conciliation/settlement successful
Sex	Spokane Valley	Discrimination in terms/conditions/privileges relating to rental.	Conciliation/settlement successful
Sex, Color, Disability, Retaliation	Spokane Valley	Discriminatory terms, conditions, privileges, or services and facilities. Discriminatory acts under Section 818 (coercion, etc.)	No cause determination

(TABLE TWO)

Complaints by Protected Class

The highest number of complaints is related to discrimination of disabled individuals in the area of reasonable accommodation. Those who filed complaints and then subsequently withdrew them offer some insight into areas Spokane County may want to focus on with education and outreach. For at least five complainants, no remedy would offer a benefit to them, so they dropped the complaint. This doesn't mean the complaint was invalid. For example, if discrimination occurs in advertising and it is reported, the individual reporting the discrimination may not want to live in a home after being discriminated against, but still wants that landlord to follow the law.

Breakdown of complaint types:

- Disability related fair housing complaints amounted to 26 with a combination of issues identified for five of those complaints; four for retaliation, one for family status, one for sexual harassment.
- Seven retaliation complaints.

- Seven family status complaints.
- Race discrimination was identified in six complaints which were combined with retaliation (2) and sexual orientation (2).
- Sexual harassment was a complaint twice and was combined with color, disability and retaliation.
- Discrimination based on creed was reported one time and that complaint was combined with a racial complaint.
- There were six withdrawn (wd) complaints; one wd with a settlement agreement, five wd for no benefit to the complainant, one wd for failure to cooperate, one wd with no resolution.

Table Three (below) illustrates the location or origin of complaints and the number of enforcement actions taken. The enforcement column says zero for every location. This shows successful work done by NFHA and the WSHRC to remedy situations with conciliatory settlements. No formal fair housing enforcement activities or court cases have been filed in any Spokane County location within the Urban Consortium. Table Two will assist with planning education and outreach activities. Spokane Valley is a fairly new city and it is evident that more education should be focused there to reduce the frequency of complaints and increase understanding of fair housing laws.

Table #3
Urban Consortium – Origin and Enforcement of Complaints

Consortium Jurisdiction	# of Complaints	# of Enforcement Actions
Spokane Valley	24	Zero
Airway Heights	4	Zero
Cheney	3	Zero
Liberty Lake	3	Zero
Medical Lake	1	Zero
Latah	0	Zero
Fairfield	0	Zero
Rockford	0	Zero
Deer Park	0	Zero
Waverly	0	Zero
Millwood	0	Zero
Unincorporated County	7	Zero

Public Perception of Fair Housing

Spokane County Community Services, Housing and Community Development Department (CSHCD), interviewed HUD’s OFHEO, the WSHRC, staff from the Coalition of Responsible Disabled (CORD) and the NFHA to get a sense of the perceived fair housing issues in the Spokane Region.

Disparate impact is hard to understand and was mentioned often during interviews. The Department of Justice no longer files disparate impact cases, which are crucial in the fight against housing discrimination. Because many rental, sales or insurance policies may not discriminate on their face, they can have a disparate and detrimental impact on members of protected classes trying to find housing. (Source: National Fair Housing Alliance, “Fair Housing Enforcement: Time for a Change” 2009)

The same could be true for local land use regulations. It was stated during interviews that there should be no zoning limitations for group homes. They should be allowed in residential neighborhoods to provide residents with the sense of community and belonging. By defining “family” as blood-related individuals and placing a numeric limit on family members, jurisdictions could have a disparate impact on fair housing choice for people who have alternate lifestyles or those who require support services to stay successful in housing. Community Services, Housing and Community Development Department is not qualified to determine whether zoning has had a disparate impact on County residents, but would advocate for research of the issue by the Northwest Fair Housing Alliance, a HUD FHIP recipient.

Another potential disparate impact perpetuated by the HUD Housing Choice Voucher is the fact that the vouchers themselves may limit housing choice. Section 8 housing vouchers have financial limitations based on the fair market rents of an area. These fair market rents may or may not be the actual rents collected. Landlords who are able to charge more for rent may appear to discriminate simply because they don’t want to accept HUD’s rental limits (vouchers), not because the person renting belongs to a protected class.

A Community Survey and Needs Assessment conducted by NFHA in 2003, highlighted discrimination issues related to mental illness. The Spokane County Regional Support Network Housing Plan (2007), expanded on the issue of people with mental disabilities who desire to have their own sleeping rooms when they live in a group setting. Over 95% of the mentally ill people served by the Regional Support Network live in their own homes whether rented or owned. Affordable housing for this protected class remains a high priority in Spokane County. It is important to understand that behavior and illness symptoms themselves can cause difficulty retaining housing; further limiting a person’s choice of where they will live.

The report, “Fair Housing Enforcement: Time for a Change 2009, Fair Housing Trends Report 2009,” published by the National Fair Housing Alliance, states that internet ads are allowed to discriminate against families with children, unlike printed media. The report suggests enforcement in this area would be furthered by amending the Communications Decency Act to carve out an exception for the Fair Housing Act. An amendment should explicitly prohibit internet advertisements that violate the Federal Fair Housing Act and state clearly that the Communications Decency Act doesn’t limit any claim arising under the Act. HUD has not pursued this avenue or stopped this discrimination in advertising over the internet. It would be timely to do so because once a landlord advertises a property they become responsible to comply with fair housing laws. If they do not advertise and have less than four rentals, the Fair Housing Act doesn’t apply to them. There are a large number of landlords who do not fall under the fair housing laws due to the number of rentals they manage. If internet rental pages disclosed the law it would help small landlords understand what triggers scrutiny under the Fair Housing Act and potentially stop discrimination in advertising. When people continue to read ads that discriminate, they lose their sense of what is right and could follow suit, not realizing they are breaking the law.

Another disparate impact could be the public transportation system in Spokane County. Members of protected classes may rely on public transportation. If there is no bus service, Paratransit can be arranged but it costs more and requires a phone and pre-scheduling to arrange for rides. A few non-profit organizations provide rides through volunteer programs that help low-income elderly people get to doctor appointments and other necessary trips. The Spokane Regional Transportation Council is charged with planning transportation alternatives and the Spokane Transit Authority (STA) plans bus routes. Housing choice in the rural area and in small towns could be affected by the lack of public transportation. Further research revealed a court

decision in 2007, which determined that STA did not violate the law when it reduced Para transit services. See Appendix C.1.

Finally, the congregation of some ethnic groups could be the result of steering rather than true housing choice. Language limitations may make it easier to live in the same vicinity and socialize, however it could also limit fair housing if people don't feel they can live elsewhere because of their group affiliation. For example, immigrant families may choose to live together in the same apartment building because they like to be with people who share a common history, customs and language.

The challenge will always be to make sure that everyone knows they have choices when determining where to set up a household. Fair housing posters have been produced in multiple languages and are provided to all Spokane County subrecipients to post in their location. Education remains the best tool we have in Spokane County for furthering fair housing and fair housing awareness.

Spokane County Fair Housing Activities

Spokane County and the Community Services, Housing, and Community Development Department endeavors to affirmatively further fair housing. Some of the actions taken to affirmatively further fair housing are described below:

- On October 1, 2009, CSHCD held a discussion on the Consolidated Plan update and the AI update. A presentation was made on fair housing to those in attendance and interviews were held for public perception information.
- On March 23, 2010, the Spokane Board of County Commissioners (BOCC) signed a proclamation declaring April 2010, "Fair Housing Month". By doing so, the BOCC were reminded of the National Fair Housing Month and used the proclamation to remind the public of Spokane County's dedication to furthering fair housing.
- Annually, all subrecipients of CDBG funds are required to certify that they will affirmatively further fair housing in their agreements with Spokane County.
- All CDBG and HOME subrecipients are provided fair housing posters in multiple languages and required to have them posted on site.
- The fair housing logo is required on documents, such as advertisements or newsletters, used by CDBG and HOME subrecipients or CSHCD.
- All fair housing complaints are referred to Northwest Fair Housing Alliance, HUD's OFHEO, and the WSHRC who coordinate complaints, investigations and tests and assist people who have been discriminated against through mediation or the court system if just cause is found.
- Spokane County reviews all marketing plans, advertisements, tenant selection policies, rental applications for consistency with fair housing laws that are funded by HOME dollars.
- County Planning Department staff is invited to the annual fair housing spring training to keep them up to date on fair housing issues, disparate impacts of decisions, etc.

Spokane County Partners Assist in Fair Housing Educational Events

- Annual Fair Housing Training is provided to the community with a coordinated team of representatives from the Inland Northwest Landlord Association, Northeast Washington Housing Solutions (NEWHS), HUD Fair Housing and Equal Opportunity (OFHEO), Spokane County, the city of Spokane, Northwest Fair Housing Alliance, Spokane Association of Realtors and the Washington State Human Rights Commission (WSHRC) and Coalition of Responsible Disabled (CORD).
- Fair Housing Week includes media advertisements (television and radio) that were created and paid for by Spokane Association of Realtors, city of Spokane and Spokane County. Bus wraps or posters are also used to promote Fair Housing Month.
- Northeast Washington Housing Solutions (NEWHS) and the Landlord Association of the Inland Northwest partner to provide monthly and annual workshops about fair housing. Free training is available on a daily basis at NEWHS as landlords become housing providers for the local housing authority. The Landlord Association of the Inland Northwest also assists members as needed with information and resources related to fair housing as needed.
- “The Fig Tree” publishes an Annual Resource Directory which lists fair housing contacts in Spokane County.
- The Spokane Association of Realtors (SAR) holds fair housing trainings for its members throughout the year. The SAR Fair Housing Committee meets a minimum of four times per year to work with the community to eliminate any instances of unfair treatment of minorities in real estate transactions. Open houses are visited to be sure fair housing posters are posted in a visible location.
- The WSHRC has online trainings that are free. Visit www.hum.wa.gov or call 1-800-233-3247 for more information on free fair housing training.

Continuing education has been determined to be the most effective way to keep fair housing in the forefront of community’s awareness. As newly elected officials take office it is important to educate them on Spokane County’s responsibility to further fair housing. Similarly, as changes occur in the jurisdictions within the county, new people need to be brought up to speed about fair housing laws and their responsibility to further fair housing along with Spokane County, HUD and our many partners.

Appendices

A.1. US Department of Justice Lawsuit; United States of America vs. Cedar Builders Inc.

A.2. Spokesman Review Article; September 27, 2007

A.3. Spokesman Review Article; May 22, 2009

B.1. HMDA Aggregate Data Tables

C.1. Federal Transit Administration, RE FTA Complaint Number 07-0256