

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING IN SEATTLE, WASHINGTON

October 2008

**Lead Agency:
City of Seattle Office of Housing**

**Supporting Agencies:
Seattle Human Services Department
Seattle Office for Civil Rights
Seattle Housing Authority**

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1. Executive Summary

a. Study Background

i. Who Conducted, Departments Involved, Consultant Hired, How Funded

This Analysis of Impediments (AI) to fair housing in Seattle was conducted by the City of Seattle in accordance with federal requirements for entitlement jurisdictions receiving funds from the U.S. Department of Housing and Urban Development (HUD). The City of Seattle's Office of Housing (OH) contracted with Trang D. Tu Consulting to complete this analysis. The Seattle Office for Civil Rights (SOCR) and the Seattle Human Services Department (HSD) were also involved, particularly in developing the scope for the analysis, selecting the consultant, providing data, and reviewing findings. This analysis was funded by HSD.

ii. Methodology, Topics Covered

The purpose of the AI is to assess public and private conditions and factors that affect fair housing choice. The following topics were included in this analysis. A range of methods and data sources was utilized to analyze each topic, as listed in the table below.

Analysis Topic	Method/Data Source(s)
Background Data <ul style="list-style-type: none"> ▪ Demographic ▪ Income ▪ Employment 	<ul style="list-style-type: none"> ▪ U.S. Census 2000; American Community Survey 2004 and 2006 ▪ U.S. Census, 2002-2004 Longitudinal Employer-Household Dynamics, OnTheMap
Housing Profile <ul style="list-style-type: none"> ▪ Housing supply characteristics ▪ Homeownership market ▪ Rental market ▪ Subsidized rental housing ▪ Housing tenure ▪ Cost burdens and affordability ▪ Housing segregation 	<ul style="list-style-type: none"> ▪ U.S. Census 2000; American Community Survey 2004 and 2006 ▪ Seattle Housing Authority (SHA) ▪ City of Seattle Consolidated Plan 2005-08 ▪ City of Seattle Draft Housing Needs Assessment ▪ City of Seattle Office of Housing Annual Reports for 2004, 2005, 2006 ▪ Northwest Multiple Listing Service (NWMLS) ▪ Dupre + Scott Apartment Advisors, Inc. ▪ City of Seattle Office of Housing Assisted Housing database
Impediments in Private Sector <ul style="list-style-type: none"> ▪ Fair Housing Complaints ▪ Lending and Financing Trends ▪ Rental Ads ▪ Mortgage Crisis and Foreclosure Trends 	<ul style="list-style-type: none"> ▪ Complaint data from Washington State Human Rights Commission, U.S. HUD Region X Office, Seattle Office for Civil Rights ▪ Home Mortgage Disclosure Act (HMDA) data ▪ <i>Northwest Rentals</i>, "Apartments for Rent", <i>Seattle Weekly</i>, Craigslist ▪ Washington Center for Real Estate Research, ACORN, Washington State Task Force on Homeownership Security, various news articles
Impediments in Public Sector <ul style="list-style-type: none"> ▪ Public Policies ▪ Analysis of Households Served by OH and SHA 	<ul style="list-style-type: none"> ▪ Website research and survey of City of Seattle Office of Economic Development, Department of Planning and Development, Office of Housing ▪ City of Seattle Office of Housing Homewise database, Homeownership database ▪ Seattle Housing Authority
Existing Programs and Activities that Assist Fair Housing	<ul style="list-style-type: none"> ▪ Website research on relevant agencies ▪ City of Seattle Office of Housing Annual Reports for 2004, 2005, 2006, 2007 ▪ City of Seattle Consolidated Annual Performance and Evaluation Report (CAPER) 2006, 2007

b. Summary of Findings

The following section summarizes findings from the four substantive portions of the AI: Background Data, Analysis of Impediments, Existing Programs and Activities, and Actions to Address Impediments.

i. Analysis of Background Data

Note: Although the U.S. Census Bureau encourages users to compare data from the American Community Survey (ACS) with data from the U.S. Census 2000, in some instances comparisons could be misleading due to differences in questions or methods. Readers of this report are encouraged to consult U.S. Census Bureau guidance regarding comparison of data. Additionally, significant changes between 2000 and 2006 could be attributed to differences in sampling methods or survey questions such as small sample sizes. These should be researched further before being referenced. Additional information is available at: <http://www.census.gov/acs/www/UseData/compACS.htm>.

Demographic and Income Characteristics

- According to U.S. Census Bureau estimates, Seattle's total population in 2000 was estimated to be 563,375. By 2006, the city's population had grown approximately 3% to 582,454.
- Seattle's population is relatively well educated and growing moreso, and with a significant share of nonfamily households comprised of single people living alone.
- From 2000 to 2006, there was growth in the share of non-English speaking households in Seattle who are linguistically isolated.
- In 2006, Seattle median income across all households was \$58,311. Within this, the median income of family households was \$82,867 and the median income of nonfamily households was \$41,773.
- Those who are disabled, have less formal education and are non-English speakers are more likely to live below the poverty line.
- Lower incomes and greater poverty are also associated with individuals with the following status: racial and ethnic minorities; families with children; females; female householders with no husband present, especially those with children; elderly; and youth.
- From 1999 to 2006, after adjusting for inflation, median income increased from \$55,343 to \$58,311 across all households. However, this varied by race and ethnicity. White households' median income rose from \$60,100 to \$63,370. Asian households' median income increased at a more moderate rate from \$47,342 to \$48,611. Other racial minority groups, including African-Americans, American Indians and Alaska Natives, appear to have declined in household median income. Households with heads of household of Hispanic or Latino origin also appear to have declined in median income.¹

Employment Market Characteristics

- In Seattle, jobs are primarily in the private sector and composed of professional and management occupations. From 2002 to 2006, there was a trend of growth in higher paying jobs and loss of lower paying jobs.
- A portion of workers with jobs in Seattle live in Seattle, but a greater share lives outside the city. This could be at least partially the result of higher costs of living and lack of housing affordability in Seattle relative to surrounding jurisdictions.
- From 2000 to 2006, there was growth in the share of people who walked, took public transportation to work, commuted to work through other means, or worked at home.
- Workers who commuted using public transportation were disproportionately racial minorities, foreign-born, with lower earnings, below poverty, renters, and lacking a private vehicle.

¹ Findings based on American Community Survey-derived statistics are presented with qualifications due to small sample sizes.

Housing Market Characteristics and Trends

- Seattle's housing stock has expanded, particularly in development of single-family attached units (condominiums and townhouses).
- From 2000 to 2006, housing tenure shifted from being dominated (in percentage share) by renter-occupied units to owner-occupied units.
- In the homeownership market, the highest-priced single-family units tended to be in Queen Anne/Magnolia and Central Seattle. The highest-priced condominiums were located downtown, which for the first time in any area in the city, surpassed \$550,000 in median price in 2007. All other areas also increased in median prices since 2004, particularly Southeast Seattle, whose condo prices had surpassed several other geographic areas by 2007.
- The rental housing market overall experienced a "soft" market from 2002 to 2005, in the context of a regional economic slowdown, and has gradually gained strength since. Market indicators reflecting this trend have included generally falling vacancies, rising rents, declining number of days vacant, increased rent projections, and reduction in rent incentives.
- In recent years, strong job and population growth fueled by a healthy regional economy have created a robust private housing market that has reduced affordability. This has dramatically impacted low-income residents, who are disproportionately racial minorities and other members of protected classes. A City-commissioned study by Kate Davis analyzing 2000 Census data found a negative correlation between housing costs and the proportion of non-white residents in Seattle neighborhoods and concluded that rising housing costs could create a barrier to racial minorities, who, on average, earn less than whites. Other data, specific to the Central Area neighborhood, finds that between 1980 and 2000, rents rose from 73 to 83 percent of the county average while home values rose from 63 to 73 percent. During the same time period, the neighborhood's African-American population decreased 36 percent.

ii. Analysis of Impediments to Fair Housing

Private Sector

The analysis identified the following private sector impediments:

- Continued incidents of housing discrimination, particularly based on race, disability and family status and in geographic areas of North and Central Seattle.
- Disproportionately greater loan denial rates among minority and low-income applicants.
- Subtle forms of preferential advertising for housing in some local media sources.
- Continued challenge of under-reporting of potential housing discrimination.
- Potentially significant impact on protected classes of the current subprime mortgage crisis including: greater vulnerability to foreclosures, increased difficulty of obtaining home loans, a tighter and less affordable rental housing market, and potential decline in home values and spillover effects in low-income areas.

Public Sector

The City of Seattle has been a leader in instituting a number of policies that promote fair housing. These include scattered siting policies to disperse extremely low-income subsidized rental housing, revitalization of distressed neighborhoods and general support of expanded housing choices through funding for affordable housing. The Seattle Housing Authority (SHA) supports fair housing through affirmative fair housing marketing, applicant choice policies, and deconcentration of low-income housing units. More broadly, the City's Comprehensive Plan,

land use code and several community development policies support fair housing by expanding housing choice, and revitalizing neighborhoods in balance with preserving affordability.

At the same time, the City's significant efforts may not be adequate to meet the challenges fueled by private market forces that have eroded affordability citywide and rendered some previously "underinvested" neighborhoods now on the verge of or already "tipping" toward displacement of existing low-income residents. Exacerbating this problem is the drastic gap between the scale of need for affordable housing and the level of public resources, including shrinking federal funding, available to address the problem.

iii. Existing Programs and Activities that Further Fair Housing

Seattle has a range of organizations and agencies whose programs and activities promote fair housing. These include City of Seattle departments (Office of Housing, Office for Civil Rights, Office of Economic Development, and the Seattle Housing Authority), state and federal government agencies (U.S. HUD regional office, U.S. Department of Justice, the Washington state legislature, Washington State Human Rights Commission, and Washington State Human Rights Commission), and local fair housing and legal assistance agencies and real estate professional organizations (Fair Housing Center of Washington, King County Dispute Resolution Center, Tenants Union, Northwest Justice Project, Columbia Legal Services, Rental Housing Association of Puget Sound, and the Seattle/King County Realtors' Association).

iv. Actions to Address Impediments

Summary of Impediments

Impediment #1: An inadequate supply of affordable housing in Seattle exacerbates fair housing challenges by impeding housing choice.

Impediment #2: In addition to lack of affordable housing, protected classes also continue to experience direct housing discrimination, especially racial and ethnic minorities, refugees and immigrants, families, female headed households with no husband present, and the disabled. These take several forms including the following:

- Continued incidents of housing discrimination, particularly based on race, disability and family status in areas of North and Central Seattle.
- Lack of knowledge/information about fair housing and the complaint process lead to underreporting of fair housing violations, especially in limited English communities.
- Subtle forms of preferential housing advertising exist in some local media sources.
- Racial minorities continue to experience differential rates of loan denials.
- The current subprime mortgage crisis brings potentially significant impacts on protected classes including: greater vulnerability to foreclosures due to racial minorities being a disproportionate share of subprime loan borrowers, increased difficulty of obtaining home loans, a tighter and less affordable rental housing market, and potential decline in home values and spillover effects in low-income areas.

Recommended Actions to Address Impediments

1. CONTINUED SUPPORT OF AFFORDABLE HOUSING DEVELOPMENT (Lead agency: OH)
 - a. Continue to develop new resources to address affordable housing issues (e.g. Renew City housing levy in Fall 2009).
 - b. Continue enforcing relevant City requirements (e.g. siting of extremely low-income rental housing) tied to housing funding.
 - c. Explore/implement ways to better utilize existing resources to expand housing choice.
 - d. Expand incentive programs that encourage and enable more private developers to create affordable housing.
 - e. Improve coordination between SOCR and OH in support of housing affordability as a critical element of fair housing.
2. INTERGOVERNMENTAL COORDINATION/RESOURCE ALLOCATION (Lead agencies: OH, SOCR)
 - a. Take advantage of existing opportunities for intergovernmental coordination on affordable housing (e.g. Puget Sound Regional Council and King County).
 - b. Request HUD funding for key initiatives including fair lending outreach program, continued enforcement of fair housing laws, increased testing and auditing.
3. EDUCATION AND OUTREACH (Lead agency: SOCR)
 - a. Partner with tenants advocacy groups and community organizations to provide fair housing training to renters. Request HUD funding to provide staff and material resources.
 - b. Develop a Fair Lending program for renters and prospective homebuyers to provide training in recognizing discriminatory lending practices. Ensure the program is language- and culturally-appropriate for limited English underserved populations.
 - c. Work with advertising departments of publishers of local housing information to eliminate explicit and implicit forms of preferential advertising.
 - d. Explore feasibility of a fair housing hotline to encourage education and follow-up on filing of complaints.
 - e. Continue to reach out to apartment owners and the real estate industry, particularly in North and Central Seattle sub-areas, to encourage education about fair housing.
 - f. In reasonable cause cases, develop a settlement requirement requiring respondent to provide and assume cost of SOCR-led Fair Housing trainings for tenants. Trainings should be open to the public and advertised in locales commonly-frequented by neighborhood residents such as grocery stores, laundromats, child care centers, grocery stores, etc.
4. CONTINUED ENFORCEMENT OF FAIR HOUSING LAWS (Lead agency: SOCR)
 - a. Provide continued funding support for investigation of housing discrimination.
 - b. Continue to coordinate with fair housing enforcement and advocacy agencies (U.S. HUD Regional Office, Fair Housing Center of Washington).
 - c. Periodically conduct fair housing testing of the rental housing market, especially in Central and North Seattle and for race, family status and disability classes. Ensure HUD support for increased testing and auditing.
5. MONITORING/TRACKING (Lead agencies: OH, SOCR)
 - a. Explore creating a streamlined database to provide ongoing tracking of demographics of OH-funded and SHA populations.
 - b. Track number of incoming calls to SOCR and subsequent referrals and discrimination charges emerging from incoming calls.
 - c. Improve database and coordination with other affordable housing funders in order to better track basic characteristics of subsidized rental housing in Seattle (e.g. location; affordability and size of units).

2. Fair Housing Law

a. Federal Fair Housing Law²

In the United States, the Civil Rights Act of 1866 had been applied to prohibit racial discrimination in housing by government or public action. Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs receiving federal financial assistance. But neither of these included the private property market.

Title VIII of the Civil Rights Acts of 1968 extended the fair housing legislation and for the first time subjected the private housing market to federal laws prohibiting discrimination. Title VIII was amended in 1988 and together these are known as the Fair Housing Act. After 1968, a number of additional related laws were enacted. These included: Section 504 of the Rehabilitation Act of 1973 which prohibits discrimination based on disability for any program receiving federal financial assistance; Section 109 of Title I of the Housing and Community Development Act of 1974 which prohibits discrimination on the basis of race, color, national origin, sex or religion in program activities receiving financial assistance from U.S. HUD's Community Development and Block Grant (CDBG) program; and the Age Discrimination Act of 1975 which prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

The amended federal Fair Housing Act prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions based on race, 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 the age of 18 and handicap (disability)). These groups, known as "protected classes", can file complaints alleging fair housing discrimination with the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Justice (DOJ) or "substantially equivalent agencies" certified to do so by U.S. HUD. Section 4 provides additional information about the complaint process.

The federal Fair Housing Act prohibits the following actions if based on an individual's status as a member of one or more of the protected classes designated under federal law:

- Refusal to rent or sell a dwelling
- Refusal 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
- Falsely denying that a dwelling 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
- Denial of 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
- Refusal to make a mortgage loan or to provide information about loans
- Imposing different terms or conditions on loans
- Discrimination in the appraisal of property
- Refusal to purchase a loan or setting different terms for the purchase of a loan
- 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.

² Information in this sub-section summarized from the following sources: U.S. Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity. "Fair Housing Laws and Presidential Executive Orders." Nov. 2007. Corporation for Supportive Housing. "Frequently Asked Questions: Housing for the Homeless and Civil Rights Requirements."

Federal law provides additional protections for persons with disabilities, defined as individuals with a physical or mental impairment that substantially limits one or more major life activities. Requirements in addition to general prohibitions on discrimination include: reasonable modifications to housing and in rules, policies, practices and services and accessible design and construction of privately operated public accommodations.

b. State and Local Equivalent Fair Housing Laws³

Federal fair housing laws provide that state and local governments may also adopt and enforce fair housing laws. In Washington, the state legislature created the Washington State Board Against Discrimination in 1949 and passed the Washington Law Against Discrimination. Several amendments to the state law have expanded protected classes to include sexual orientation, veteran and military status, victims of domestic violence, and inclusion of sensory disabilities.

Substantial equivalency certification is a process whereby the U.S. HUD determines that a state or local agency provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. Certification allows the local agency to process local complaints under a substantially equivalent local law, partner with other agencies to affirmatively further fair housing, and receive federal grants to carry out this work.

In the state of Washington, four jurisdictions are currently certified as substantially equivalent agencies: the Washington State Human Rights Commission (WSHRC), the King County Office of Civil Rights (KCOCR), the Seattle Office for Civil Rights (SOCR) and the Tacoma Human Rights and Human Services Department (THRHS). Each of these jurisdictions' fair housing laws protects additional classes beyond those covered by federal law, as shown in the table below. In addition to substantially equivalent agencies, two fair housing advocacy organizations, the Fair Housing Center of Washington and the Northwest Fair Housing Alliance, assist potential victims of fair housing discrimination by conducting preliminary investigations of claims, providing information and referrals, and conduct fair housing testing.

Protected Classes by Jurisdiction					
Basis	Federal	State	King County	Seattle	Tacoma
Race	X	X	X	X	X
Color	X	X	X	X	X
Religion	X	X	X	X	X
Sex	X	X	X	X	X
Handicap/Disability	X	X	X	X	X
National Origin	X	X	X	X	X
Familial Status/Parental Status	X	X	X	X	X
Retaliation	X	X	X	X	X
Marital Status		X	X	X	X
Age			X	X	X
Sexual Orientation			X	X	X
Creed		X		X	
Section 8 Recipient Status			X	X	
Ancestry				X	
Political Ideology				X	

³ Information in this section summarized from the following sources: Washington State Department of Community, Trade and Economic Development. *Analysis of Impediments to Fair Housing Choice Update*. Oct. 31, 2007. City of Seattle & Fair Housing Center of South Puget Sound. *Analysis of Impediments to Fair Housing Choice in the City of Seattle*. Feb. 20, 2004.

3. Analysis of Background Data

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a. Demographic and Income Characteristics

Summary of Section

- Seattle's total population in 2000 was estimated to be 563,375. By 2006, the city's population had expanded to 582,454.
- Seattle's population is relatively well educated and growing moreso, and with a significant share of nonfamily households comprised of single people living alone.
- From 2000 to 2006, there was growth in the share of non-English speaking households in Seattle who are linguistically isolated.
- In 2006, Seattle median income across all households was \$58,311. Within this, the median income of family households was \$82,867 and the median income of nonfamily households was \$41,773.
- Those who are disabled, have less formal education and are non-English speakers are more likely to live below the poverty line.
- Lower incomes and greater poverty are also associated with individuals with the following status: racial and ethnic minorities; families with children; females; female householders with no husband present, especially those with children; elderly; and youth.
- From 1999 to 2006, after adjusting for inflation, median income increased from \$55,343 to \$58,311 across all households. However, this varied by race and ethnicity. White households' median income rose from \$60,100 to \$63,370. Asian households' median income increased at a more moderate rate from \$47,342 to \$48,611. Other racial minority groups, including African-Americans, American Indians and Alaska Natives, appear to have declined in household median income. Households with heads of household of Hispanic or Latino origin also appear to have declined in median income.⁴

Population, Age and Sex

Seattle's total population in 2000 was estimated to be 563,375. By 2006, the city's population had expanded to 582,454.⁵ Females are a narrow majority of the total population. From 2000 to 2006, the percentage share of males and females stayed generally the same at 50 percent each.

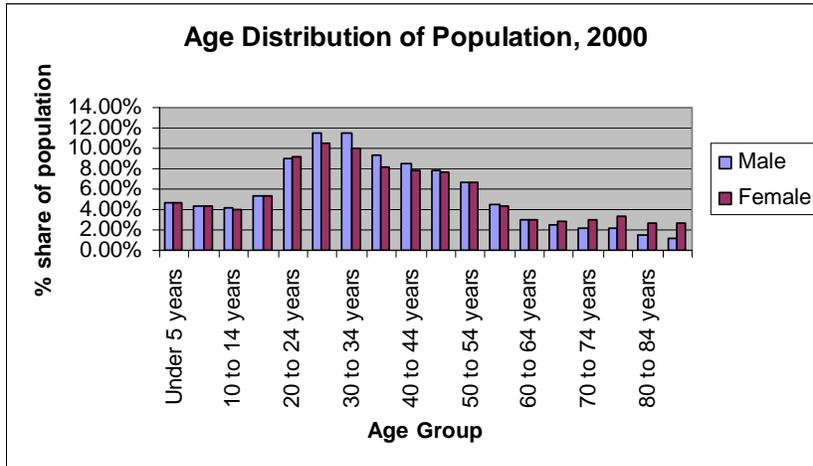
The charts below show age distribution of the population by sex, for 2000 and 2006.⁶ For both males and females, the age group with the largest share of total population and the only ones with shares greater than 10 percent, were 25 to 34 years old. In 2006, the share of

⁴ Findings based on American Community Survey-derived statistics are presented with qualifications due to small sample sizes.

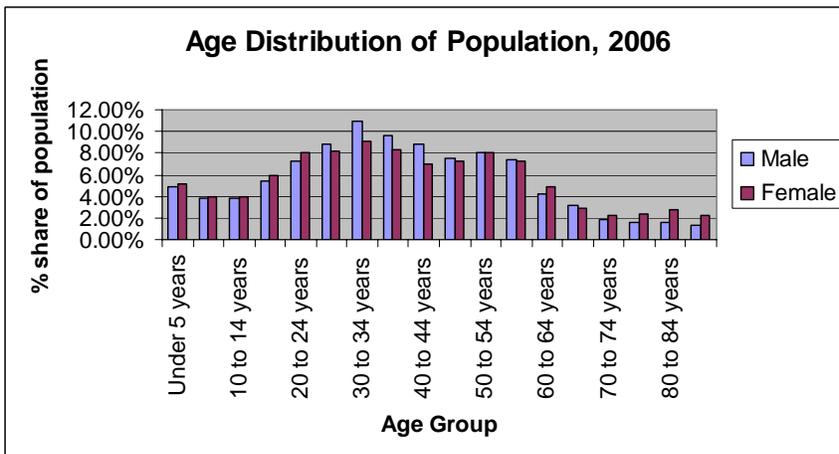
⁵ Source: U.S. Census Bureau, Intercensal Estimates.

⁶ To estimate age distributions, data on the shares of population by age and gender (from the U.S. Census 2000 and American Community Survey 2006) were applied to the figures for total population in each year, as estimated by the U.S. Intercensal Estimates.

both these age groups had fallen slightly. In contrast, the share of age groups composed of people from 50 to 69 years of age increased.



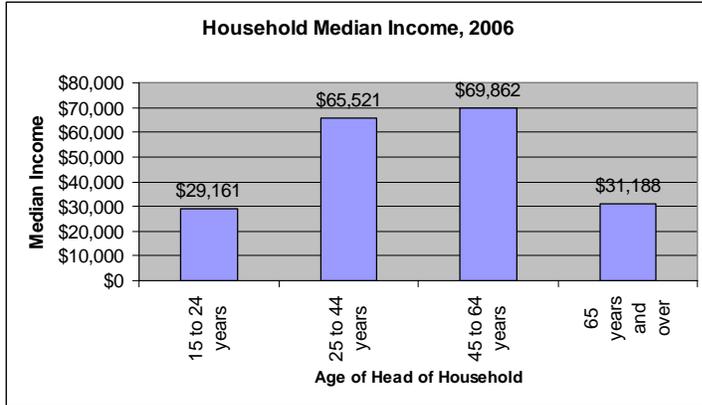
Source: U.S. Census 2000 SF1, Table P12.



Source: American Community Survey 2006, Table S0101.

Income and Poverty by Age

Younger and older individuals were associated with lower income and greater poverty. The chart below shows that householders over 65 and under 24 years of age had significantly lower median income than householders between 25 and 64 years of age. For the first two groups, median income was \$31,188 and \$29,161 respectively, while for the latter, median income ranged from \$65,521 to \$69,862.



Source: U.S. Census, American Community Survey 2006. Table S1903.

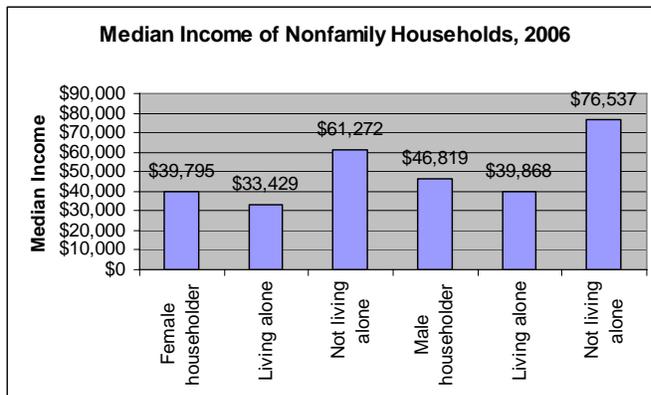
Similarly, individuals under 18 and over 65 years of age had a greater percentage below poverty (16.1 percent and 12.8 percent, respectively, in 2006) than those between 18 and 64 years of age (11.6 percent), shown in the table below. From 1999 to 2006, the poverty rate declined slightly among those under 65 years of age, but increased for those 65 years and over, from 11.4 percent to 12.8 percent.

	Change in Poverty Status by Age	
	1999	2006
Subject	% below poverty level	% below poverty level
Population for whom poverty status is determined	11.79%	12.50%
Under 18 years	16.98%	16.10%
18 to 64 years	12.95%	11.60%
65 years and over	11.40%	12.80%

Source: U.S. Census 2000 SF3 Table P87. U.S. Census, American Community Survey 2006, Table S1701.

Income and Poverty by Sex

Females in general experienced lower incomes than males. Among nonfamily households, male householders, whether living alone or not, had higher median incomes than their female counterparts, as shown in the chart below.



Source: U.S. Census, American Community Survey 2006. Table S1903.

Race and Ethnicity

Among Seattle's total population in 2006, 70 percent were white, 8.2 percent were African American, 13.0 percent were Asian, 3.1 percent were some other race, and 4.3 percent were two or more races. Sixty-eight percent were white alone and not Hispanic or Latino while 5.9 percent were of Hispanic or Latino origin.

From 2000 to 2006, the total population increased 3.4 percent, from an estimated 563,375 to 582,454⁷, but there were variations across races. Whites' share of total population decreased slightly from 70.1 percent to 70.0 percent but absolute numbers increased from 394,889 to 407,718. African-American and Asian populations' shares decreased 0.2 percent (representing increase of 220 people) and 0.1 percent (decline of 181 people), respectively. The share of individuals of Hispanic or Latino ethnic origin increased 0.6 percent (increase of 4,646 people).

Race and Hispanic or Latino Origin				
	2000		2006	
	% share		% share	
Total population	100.0%	100.0%	100.0%	100.0%
One race	95.5%		95.7%	
White		70.1%		70.0%
Black or African American		8.4%		8.2%
American Indian and Alaska Native		1.0%		n/a
Asian		13.1%		13.0%
Native Hawaiian and Other Pacific Islander		0.5%		n/a
Some other race		2.4%		3.1%
Two or more races	4.5%	4.5%	4.3%	
Hispanic or Latino origin (of any race)		5.3%		5.9%

Sources: U.S. Census 2000 SF1, Tables P3 and P8; American Community Survey 2006, Table S0501.

Income and Poverty by Race and Ethnicity

Racial and ethnic minorities experienced earnings lags and greater poverty compared with whites, as indicated in the table and chart below. In 2006, white householders had household median income of \$63,370, greater than any racial minority group. Among householders of color, Asians had median income of \$48,611, African Americans \$26,057, and American Indian and Alaska Natives \$21,029. Householders with two or more races had median income of \$43,313. In terms of ethnicity, non-Hispanic or Latino white households had median income of \$64,051 while Hispanic or Latino households' median income was \$40,758.

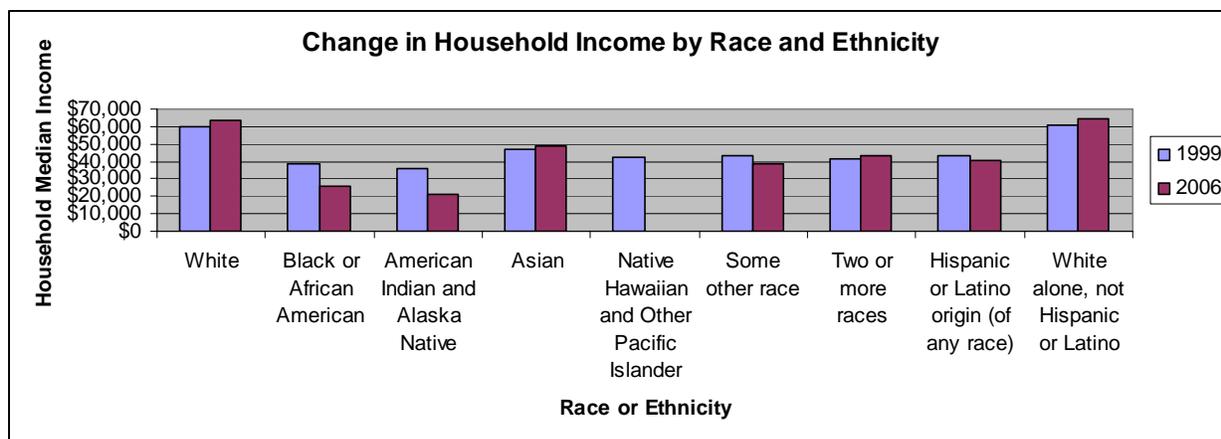
From 1999 to 2006, after adjusting for inflation, median income increased from \$55,343 to \$58,311 across all households. However, this varied by race and ethnicity. White households' median income rose from \$60,100 to \$63,370. Asian households' median income increased at a more moderate rate from \$47,342 to \$48,611. Other racial minority groups appear to have declined in household median income including African-American households (\$38,773 to \$26,057). Households with head of householder of Hispanic or Latino origin declined in median income from \$43,198 to \$40,758.⁸

⁷ Source: U.S. Census Bureau, Intercensal Estimates. To estimate distributions by race and ethnicity, data from the U.S. Census 2000 and American Community Survey 2006 were applied to Intercensal Estimates for 1999 and 2006.

⁸ As noted earlier in this analysis, these changes may likely be due to small sample sizes, so caution should be exercised before referencing the data.

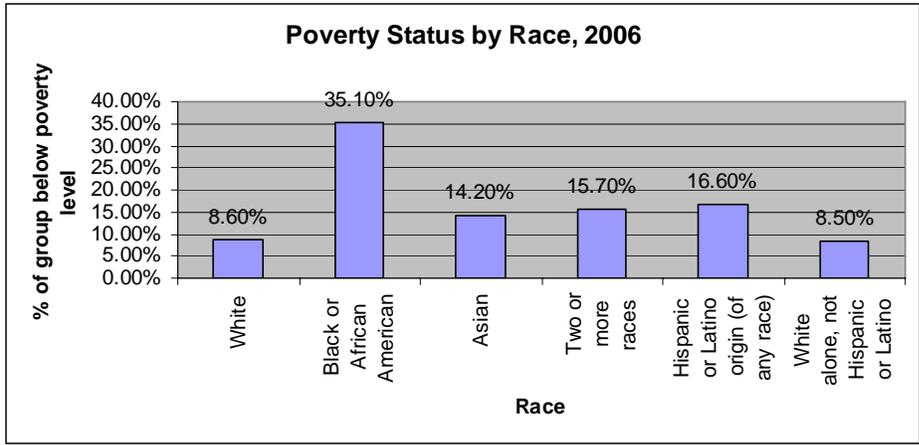
Household Income by Race and Hispanic or Latino Origin of Householder		
Subject	Median income (2006 dollars)	
	1999	2006
Households	\$55,343	\$58,311
One race--		
White	\$60,100	\$63,370
Black or African American	\$38,773	\$26,057
American Indian and Alaska Native	\$36,344	\$21,029
Asian	\$47,342	\$48,611
Native Hawaiian and Other Pacific Islander	\$42,715	N
Some other race	\$42,889	\$38,247
Two or more races	\$41,467	\$43,313
Hispanic or Latino origin (of any race)	\$43,198	\$40,758
White alone, not Hispanic or Latino	\$60,495	\$64,051

Source: U.S. Census 2000 SF3 Tables P53, P152 PUMS. U.S. Census, American Community Survey 2006, Table S1903.



Source: U.S. Census 2000 SF3 Tables P53, P152 PUMS. U.S. Census, American Community Survey 2006, Table S1903.

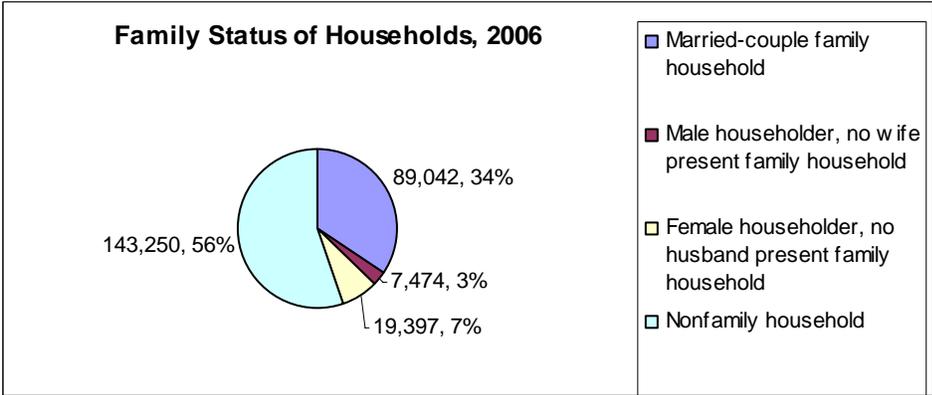
Similar to income trends, racial minorities also experienced greater rates of poverty compared with whites. The chart below shows poverty status by race, with the percentage of African Americans living below poverty four times as great (35.1 percent) as that for whites. An estimated 14.2 percent of Asians have income below the poverty level. Additionally, the percentage of Hispanic or Latino origin living below poverty is nearly twice (16.6 percent) that of non-Hispanic or Latino householders (8.5 percent).



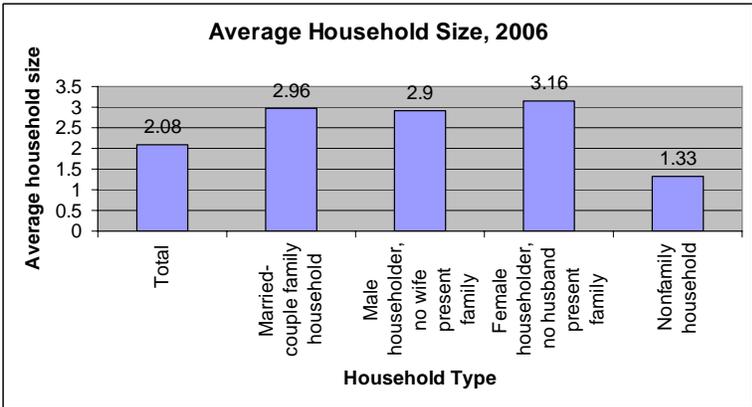
Source: U.S. Census, American Community Survey 2006. Table S1701.

Family Status

In 2006, Seattle had a total of 259,163 households. The largest sub-set of these was nonfamily households totaling 143,250, or 56 percent of all households, shown in the chart below. Among non-family households, the most significant share was of single householders living alone, who comprised 78.6 percent of non-family households. The second largest household grouping was married-couple family households at 89,042, or 34 percent of all households.



Source: U.S. Census, American Community Survey 2006. Table S1101.



Source: U.S. Census, American Community Survey 2006. Table S1101.

Household types and presence of children. From 2000 to 2006, the population of households with own children under 18 years of age grew in share and absolute numbers for every category of household type except male householders with no wife present. The largest number of households overall were nonfamily households. Among family households, married-couple family households comprised 84,648 families in 2000 and had expanded to 89,042 families in 2006 among which 41.0 percent had children under 18 years old in the household. Male householders with no wife present numbered 7,836 and had declined to 7,474 by 2006. The share of those with children under 18 years declined from 38.4 percent to 27.4 percent over the same period. Female householders with no husband present totaled 20,916 households in 2000 and 19,397 in 2006. These households had the greatest share with children under 18 years among all household types, at 52.4 percent in both 2000 and 2006.

Household Type and Presence of Own Children	
	2000
	% Households with children under 18
Total	17.91%
Married-couple family household	38.22%
Male householder, no wife present family household	38.44%
Female householder, no husband present family household	52.35%
Nonfamily household	(X)
	2006
	% Households with children under 18
Total	18.79%
Married-couple family household	40.98%
Male householder, no wife present family household	27.43%
Female householder, no husband present family household	52.42%
Nonfamily household	(X)

Source: U.S. Census, American Community Survey 2006, Table S1101. U.S. Census 2000, SF1 Table P18.

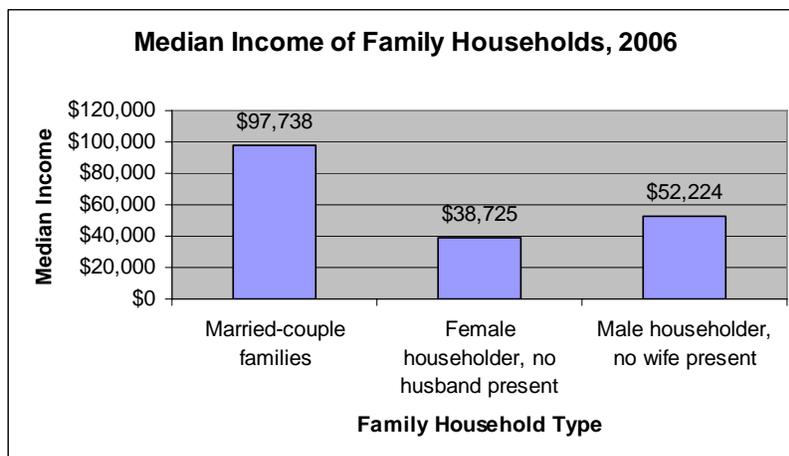
Female-headed households stand out. Female-headed households with no husband present were more likely than any other household type to have children under 18 years of age in the household. The data below show that these households also had the largest average household size at 3.16, compared with 1.33 for non-family households and 2.08 for the total population. They were also much more likely to have one or more people under 18 years of age, at 60.0 percent of households compared with 20.4 percent across all households. Finally, they were more likely than other types of households to have a person 60 years and older in the household.

	2006				
	Total	Married-couple family household	Male householder, no wife present family household	Female householder, no husband present family household	Nonfamily household
Total households	259,163	89,042	7,474	19,397	143,250
Average household size	2.08	2.96	2.9	3.16	1.33
Households with one or more people under 18 years	20.40%	42.40%	36.50%	60.00%	0.50%
Households with one or more people 60 years and over	24.70%	25.60%	27.60%	28.60%	23.50%

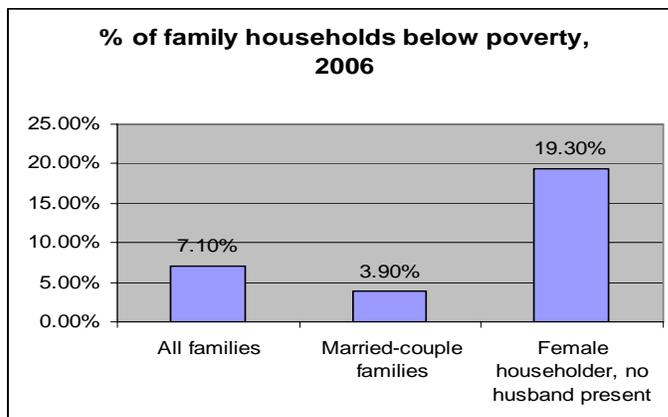
Source: U.S. Census, American Community Survey 2006, Table S1101.

Income and Poverty by Family Status

Family households had twice the median income of nonfamily households, at \$82,867 and \$41,773, respectively. Among family households, those consisting of married-couples had the highest median incomes and lowest poverty while female headed households with no husband present had the lowest incomes and greatest poverty, as shown in the charts below.

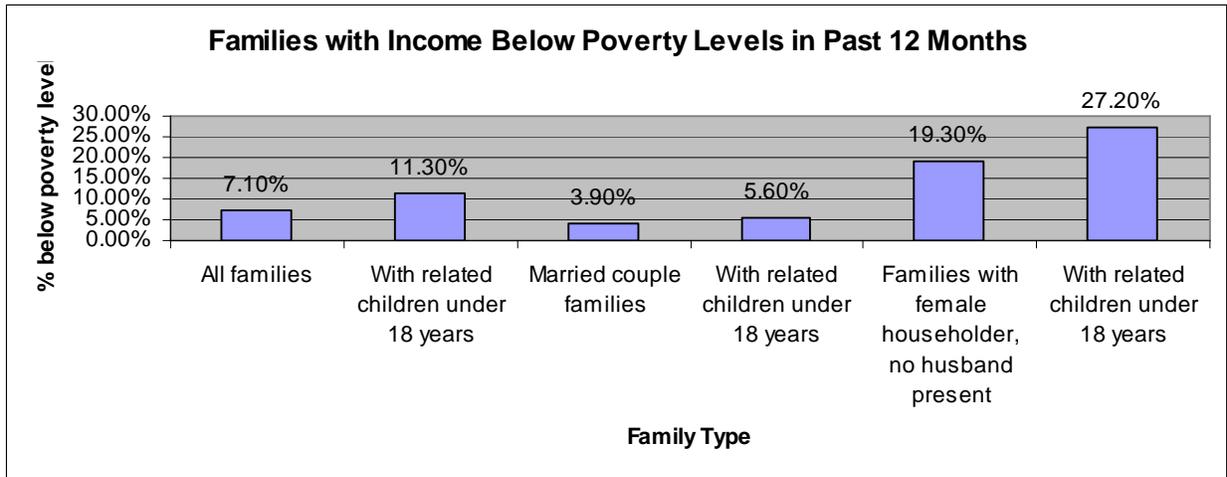


Source: U.S. Census, American Community Survey 2006. Table S1903.



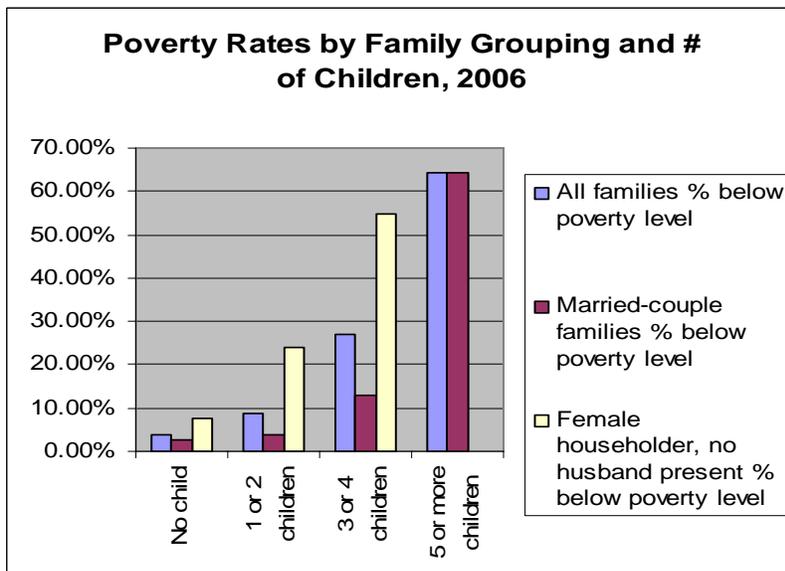
Source: U.S. Census, American Community Survey 2006. Table S1702.

Additionally, families with children under 18 had a greater percentage below poverty level than other family groupings. The chart below shows that female householders with no husband present had the greatest percentage below poverty, at 19.3 percent for those with no children, and 27.2 percent for those with children. In comparison, married couples had the lowest percentage below poverty level, 3.9 percent for those without children and 5.6 percent for those with children.



Source: U.S. Census, American Community Survey 2006. Table DP-3.

Moreover, there was a positive association between number of children and incidence of poverty. Families with no children had a 3.8 percent poverty rate; in comparison, 27.2 percent of those with three or four children were below poverty, and 64.2 percent of those with five or more children lived below poverty. This pattern was correspondingly lower for married couple households, and correspondingly higher for female householders with no husband present. A similar trend was seen in overall family size, with greater numbers of people in a family having greater percentage in poverty.



Source: U.S. Census, American Community Survey 2006. Table S1702.

From 1999 to 2006, there were slight increases in poverty rates among all types of family households, shown in the table below. Across all family households, the percentage below poverty increased from 6.9 to 7.1 percent. Among married-couple families, the poverty rate rose from 3.8 to 3.9 percent. Family households consisting of female householders with no husband present increased in poverty from 18.8 to 19.3 percent.

Change in Poverty Status by Family Household			
	All families	Married-couple families	Female householder, no husband present
1999	6.88%	3.75%	18.79%
2006	7.10%	3.90%	19.30%

Source: U.S. Census 2000 SF3 Table P90 PUMS. U.S. Census, American Community Survey 2006, Table S1702.

Income and Poverty by Family Status and Race and Ethnicity

Patterns previously described also exist when looking at poverty by both race and type of family household. The table below shows poverty rates by family household and race and ethnicity for both 1999 and 2006. White family households had the lowest poverty rates, at 3.6 percent and this fell to 3.3 percent in 2006. In 1999, the highest incidence of poverty was among Native Hawaiian and Other Pacific Islander family households, among whom 25.7 percent lived below poverty. American Indian and Alaska Native family households experienced a 22.8 percent poverty rate. African-American family households saw a 17.3 percent poverty rate in 1999; this increased to 25.4 percent in 2006.

Across all racial and ethnic categories, female headed households had greater poverty rates than other family households while married-couple families had the lowest. Among female-headed households with no husbands present, the highest poverty rates in 1999 were among Native Hawaiian and Pacific Islander households, among whom 35.2 percent were below poverty level. In 2006, African-American female householders were comprised of 27.4 percent below poverty.

Change in Poverty Status by Race and Ethnicity and Family Household Type						
	2000			2006		
	All families	Married-couple families	Female householder, no husband present	All families	Married-couple families	Female householder, no husband present
Families with a householder who is--						
One race						
White	3.6%	2.0%	12.1%	3.3%	1.5%	13.3%
Black or African American	17.3%	7.2%	27.5%	25.4%	16.3%	27.4%
American Indian and Alaska Native	22.8%	8.9%	42.1%	N	N	N
Asian	12.6%	9.6%	25.1%	N	N	N
Native Hawaiian and Other Pacific Islander	25.7%	20.3%	35.2%	N	N	N
Some other race	15.0%	8.4%	34.1%	N	N	N
Two or more races	14.8%	7.4%	28.4%	N	N	N
Hispanic or Latino origin (of any race)	17.3%	11.4%	35.3%	N	N	N
White alone, not Hispanic or Latino	3.3%	1.8%	11.5%	3.2%	1.4%	13.1%

Source: U.S. Census 2000 SF3 Table P160 PUMS. U.S. Census, American Community Survey 2006, Table S1701.

Educational Attainment

Seattle has a relatively well-educated population. For the population 25 years and over, which totals 415,196 people, the greatest percentages of people had either bachelor's degrees (32.4 percent) or graduate/professional degrees (21.4 percent) in 2006.

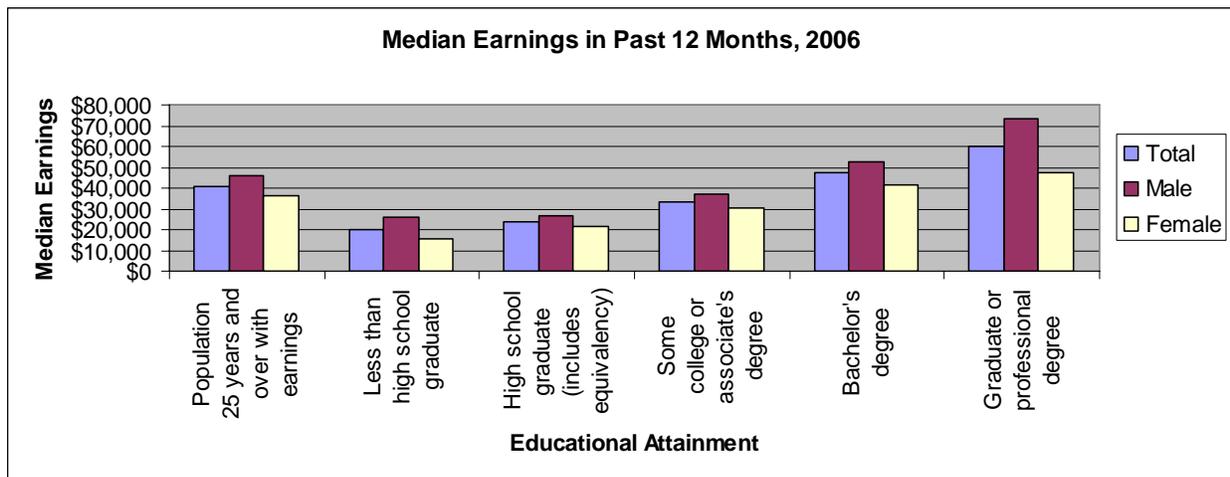
Educational Attainment by Sex, 2006		
	Male	Female
Less than 9th grade	3.60%	4.70%
9th to 12th grade, no diploma	4.30%	4.10%
High school graduate	15.10%	13.10%
Some college, no degree	17.30%	17.40%
Associate's degree	6.50%	7.10%
Bachelor's degree	32.40%	31.60%
Graduate or professional degree	20.70%	22.00%

Source: U.S. Census, American Community Survey 2006. Table S1501.

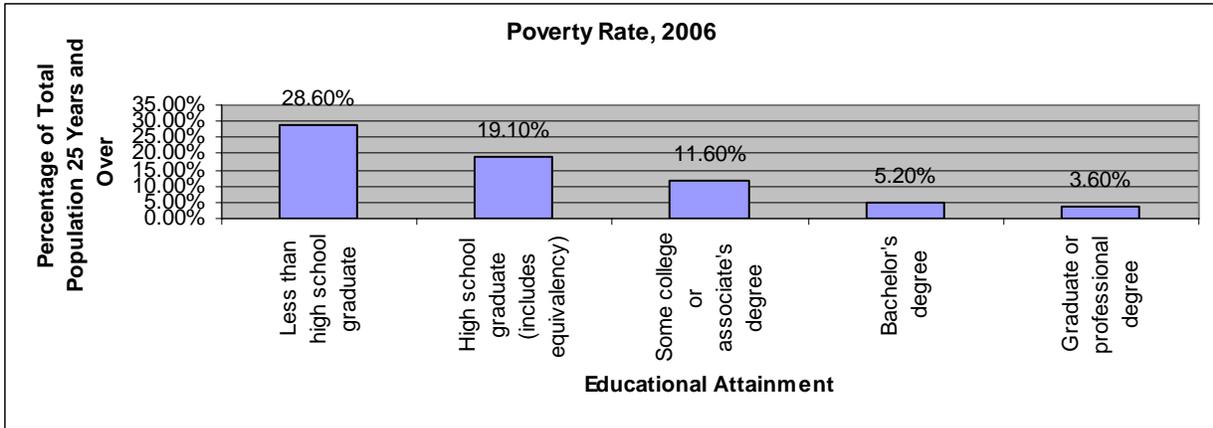
Income and Poverty by Educational Attainment

Educational attainment is inversely related to poverty and median income, as shown in the following two charts. The first chart shows median earnings over the past 12 months by educational attainment and indicates progressively increasing median earnings with education. In 2006, median earnings for high school graduates was \$23,526 while individuals with a bachelor's degree had earnings over twice that, at \$47,460. In all categories of educational attainment, female earnings lagged behind male earnings.

The second chart below shows poverty rate by educational attainment. Over 28 percent of the population over 25 years of age with less than a high school education was below poverty level. In contrast, 3.6 percent of those with graduate or professional degrees lived below poverty level.



Source: U.S. Census, American Community Survey 2006. Table S1501.



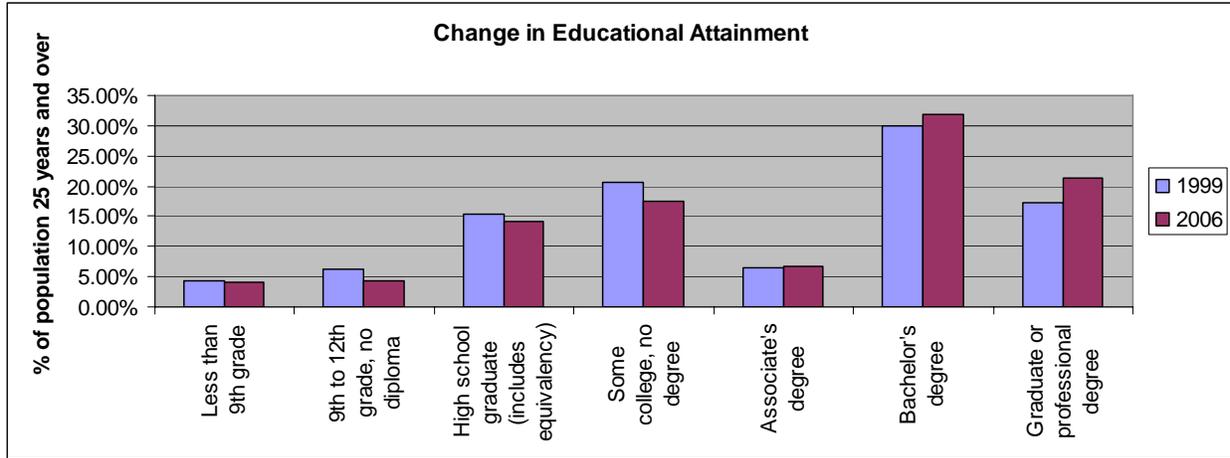
Source: U.S. Census, American Community Survey 2006. Table S1501.

Trend data indicate that Seattle is composed increasingly of those with higher education and decreasingly of those with less education. From 2000 to 2006, those with less than a college degree declined in share of the population 25 years of age and over, indicated in the following table and chart. Those with less than 9th grade education fell from 4.3 to 4.1 percent. Those with some high school education but no high school degree declined from 6.3 to 4.2 percent, while those with high school degree but no college education fell from 15.3 to 14.1 percent. Individuals with some college education but no college degree fell from 20.6 to 17.4 percent.

In contrast, those with an associate's degree grew slightly from 6.4 to 6.8 percent while those with bachelor's degrees increased from 30.0 to 32.0 percent. And the population over 25 years with graduate or professional degrees increased from 17.3 to 21.4 percent.

	2000			2006		
	% total share	% share male	% share female	% total share	% share male	% share female
Population 25 years and over	409,582	203,806	205,776	415,196	208,604	206,592
Less than 9th grade	4.3%	4.0%	4.6%	4.1%	3.60%	4.70%
9th to 12th grade, no diploma	6.3%	6.4%	6.1%	4.2%	4.30%	4.10%
High school graduate (includes equivalency)	15.3%	15.1%	15.4%	14.1%	15.10%	13.10%
Some college, no degree	20.6%	21.0%	20.2%	17.4%	17.30%	17.40%
Associate's degree	6.4%	6.5%	6.4%	6.8%	6.50%	7.10%
Bachelor's degree	29.9%	29.0%	30.8%	32.0%	32.40%	31.60%
Graduate or professional degree	17.3%	18.1%	16.5%	21.4%	20.70%	22.00%

Source: U.S. Census, American Community Survey 2006, Table S1501. U.S. Census 2000, SF3 Table P37.



Source: U.S. Census, American Community Survey 2006, Table S1501. U.S. Census 2000, SF3 Table P37.

Foreign-born Status and Linguistic Isolation

In 2006, nearly 20 percent of the population was foreign-born and nearly one-fourth spoke a language other than English at home. Among a total population over 5 years of age of 533,680, 80.4 percent were native-born and 19.6 percent were foreign-born. Among the same universe of population, 413,444, or 77.5 percent, spoke only English at home while 120,236, or 22.5 percent, spoke a language other than English at home.

Among all households in 2006, 7.3 percent were linguistically isolated. Among these was a substantial degree of language diversity with the greatest percentage of linguistically isolated households, 42.9 percent, in the “Other languages” category. Among Spanish speaking households, 32.7 percent were linguistically isolated. Among Asian and Pacific Islander speaking households, 32.7 percent were linguistically isolated. In absolute numbers, the greatest numbers of linguistically isolated households were found among Spanish-speaking and Asian-Pacific Islander households.⁹

The degree of isolation in each of these language categories represented increases from 2000. The greatest increase in linguistic isolation was in “Other languages”, for which 28.7 percent of all households were linguistically isolated in 2000 compared with 42.9 percent in 2006. Linguistic isolation of Spanish speaking households also increased significantly, from 19.2 percent in 2000 to 32.7 percent in 2006.

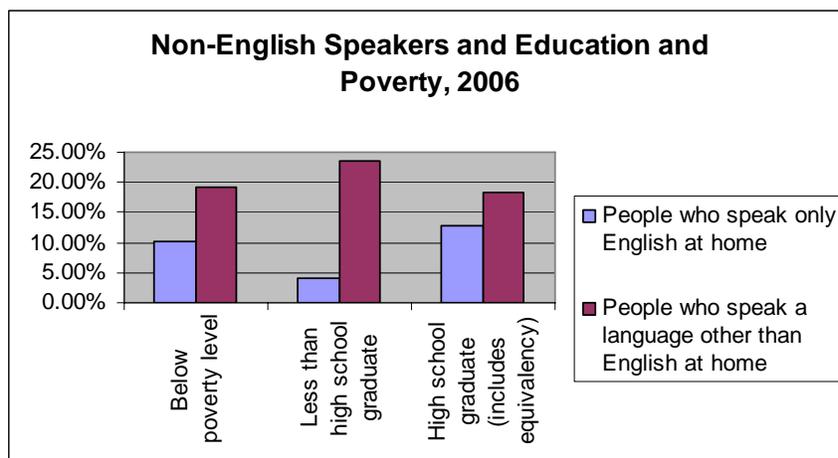
⁹ Data on absolute numbers of linguistically isolated households was available from the U.S. Census 2000, but not from the American Community Survey 2006.

	2000	2006
	% linguistic isolation in own language	% linguistic isolation in own language
All households		
Spanish:		
Linguistically isolated	19.2%	32.7%
Not linguistically isolated	80.8%	67.3%
Other Indo-European languages:		
Linguistically isolated	12.4%	18.5%
Not linguistically isolated	87.6%	81.5%
Asian and Pacific Island languages:		
Linguistically isolated	36.4%	41.2%
Not linguistically isolated	63.6%	58.8%
Other languages:		
Linguistically isolated	28.7%	42.9%
Not linguistically isolated	71.3%	57.1%

Source: U.S. Census, American Community Survey 2006, Table S1602. U.S. Census 2000, SF3 Table P20.

Poverty by English Fluency and Educational Attainment

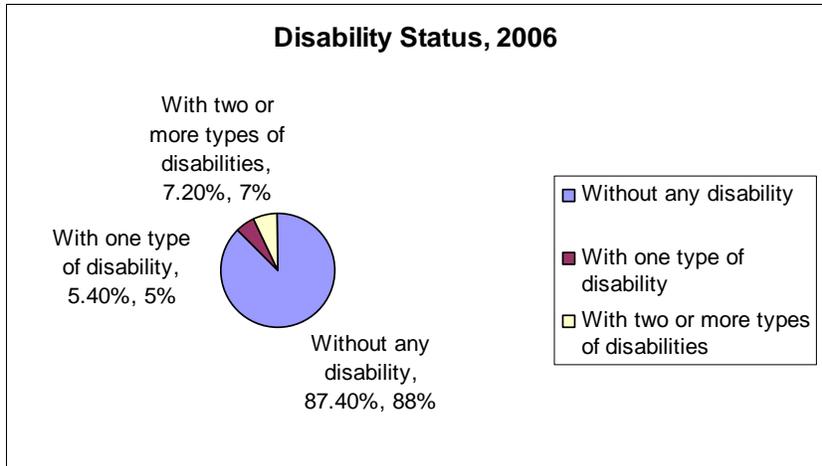
In 2006, non-English speakers were more likely to have less education and to live below poverty. Among people who spoke only English at home, 16.9 percent had a high school education or less and 10.2 percent were below poverty level, while among those who speak a language other than English at home, 41.7 percent had a high school education or less and 19.2 percent were below poverty.



Source: U.S. Census, American Community Survey 2006. Table S1603.

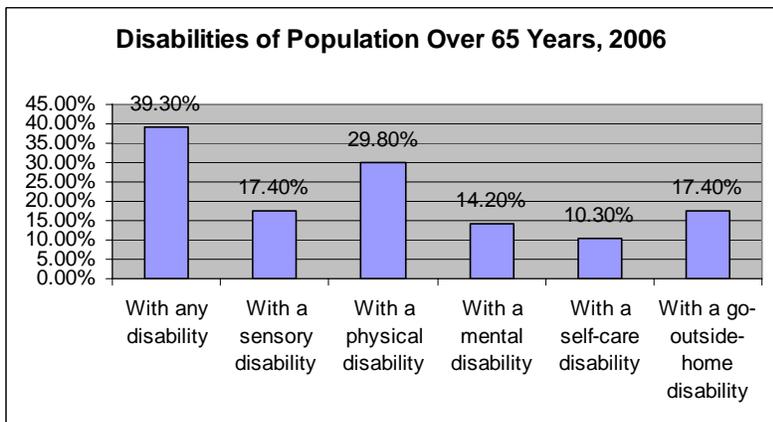
Disability Status and Characteristics

The total population 5 years and over in 2006, was 527,808. Among these individuals, 5.4 percent had one disability and 7.2 percent had 2 or more disabilities.



Source: U.S. Census, American Community Survey 2006. Table S1801.

The age group with the greatest percentage of disabled people was 65 years and older, 39.3 percent of whom have at least one disability. This age group's most frequently occurring disability was physical, at 29 percent.



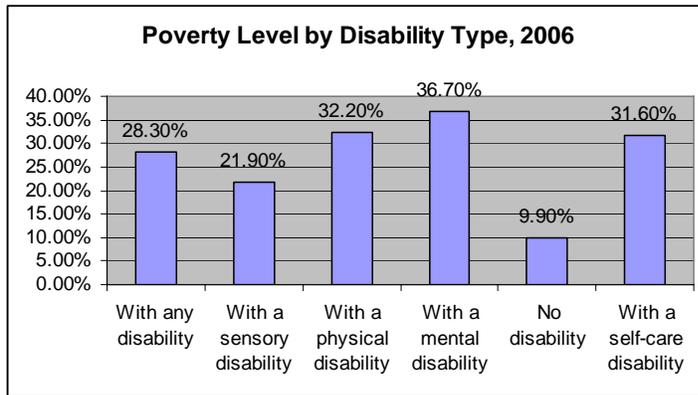
Source: U.S. Census, American Community Survey 2006. Table S1801.

Among adults between the ages of 16 and 64, which totaled 419,022, 9.7 percent of individuals had at least one disability. For youth between 5 and 15 years, totaling 48,866, 4.4 percent had at least one disability. In contrast to older people with disabilities, the most frequent type of disability among this age group was mental, at 3.7 percent.

Forty percent of disabled adults (16 to 64 years old) were employed; however, this varied by type of disability. The percentage employed was 34.5 percent of those with a physical disability, 32.1 percent of those with a mental disability, 19.7 percent of those with a self-care disability, 14.5 percent of those with a go-outside-the-home disability, and 17.6 percent of those with an employment disability.

Poverty by Disability Status

For the population 5 years and over with a disability, 28.3 percent were below poverty level; however, those with physical and mental disabilities experienced greater poverty, at 32.2 percent and 36.7 percent, respectively.



Source: U.S. Census, American Community Survey 2006. Table S1801.

b. Employment Characteristics

Summary of Section

- In Seattle, jobs are primarily in the private sector and composed of professional and management occupations. From 2002 to 2006, there was a trend of growth in higher paying jobs and loss of lower paying jobs.
- A portion of workers with jobs in Seattle live in Seattle, but a greater share lives outside the city. This could be at least partially the result of higher costs of living and lack of housing affordability in Seattle relative to surrounding jurisdictions.
- From 2000 to 2006, there was growth in the share of people who walked, took public transportation to work, commuted to work through other means, or worked at home.
- Workers who commuted using public transportation were disproportionately racial minorities, foreign-born, with lower earnings, below poverty, renters, and lacking a private vehicle.

General Composition and Trends

The tables below describe general employment characteristics of Seattle's population. In 2006, the U.S. Census American Community Survey estimated 484,814 people 16 years of age and over in Seattle. Among these, 71.5 percent were in the labor force and 28.5 percent were not in the labor force. Among those in the labor force, 327,270 were employed.

Employment Status 2006	%
Population 16 years and over	100.00%
In labor force	71.49%
Civilian labor force	71.29%
Employed	67.50%
Unemployed	3.79%
Armed Forces	0.20%
Not in labor force	28.51%

Source: U.S. Census, American Community Survey 2006. Table DP-3.

In 2006, Seattle workers were primarily employed in the private sector. The majority, 254,000, were private wage and salary workers. Among these, 94.4 percent were employees of private companies while 17.9 percent were employees of private not-for-profit organizations. Among the

14.8 percent who were government workers, over 25,000 (52.7 percent) worked for state government, 17,600 for local government and 5,200 for the federal government. Another 7.5 percent of the civilian employed population (over 16 years of age) were workers in self-employed unincorporated businesses.

Worker Class, 2006	%
Civilian employed population 16 years and over with earnings	
Private for-profit wage and salary workers:	65.98%
Employee of private company workers	94.41%
Self-employed in own incorporated business workers	5.59%
Private not-for-profit wage and salary workers	17.86%
Government workers:	14.78%
Local government workers	36.55%
State government workers	52.65%
Federal government workers	10.80%
Self-employed in own not incorporated business workers and unpaid family workers	7.46%

Source: U.S. Census, American Community Survey 2006. Table DP-3.

Seattle workers were largely engaged in management and professional occupations. Among the civilian employed population, 52.0 percent, or over 170,000 people, were in Management, Professional and Related occupations in 2006. Another 21.6 percent were in Sales occupations.

Occupation, 2006	%
Civilian employed population 16 years and over	100.00%
Management, professional, and related occupations	51.95%
Service occupations	13.24%
Sales and office occupations	21.59%
Farming, fishing, and forestry occupations	0.18%
Construction, extraction, maintenance and repair occupations	5.58%
Production, transportation, and material moving occupations	7.46%

Source: U.S. Census, American Community Survey 2006. Table DP-3.

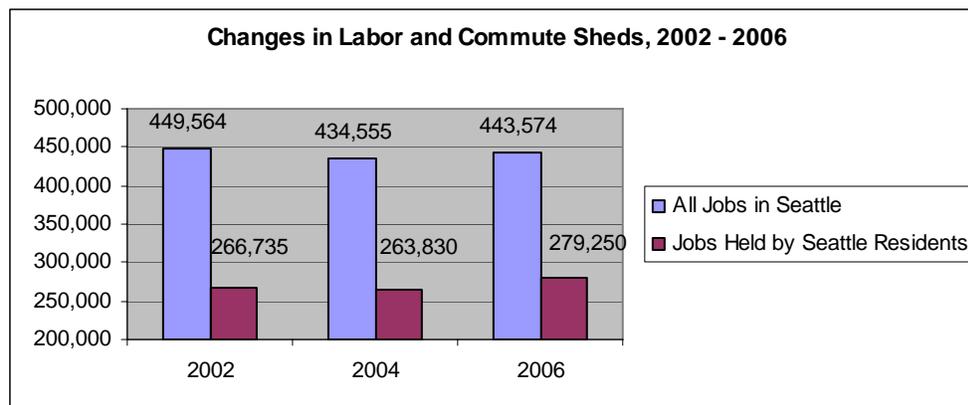
Among Seattle jobs overall, the industries with the greatest count of jobs in 2006 were educational services, health care and social assistance (72,438 jobs); professional, scientific and technical services (55,498); arts, entertainment and recreation and accommodation and food services (29,366); and manufacturing (29,277).

Industry, 2006	#	%
Civilian employed population 16 years and over	327,270	100.00%
Agriculture, forestry, fishing and hunting, and mining	1,278	0.39%
Construction	17,515	5.35%
Manufacturing	29,277	8.95%
Wholesale trade	8,934	2.73%
Retail trade	28,106	8.59%
Transportation and warehousing, and utilities	12,527	3.83%
Information	16,944	5.18%
Finance and insurance, and real estate and rental and leasing	25,531	7.80%
Professional, scientific, and management, and administrative and waste management services	55,498	16.96%
Educational services, and health care, and social assistance	72,438	22.13%
Arts, entertainment, and recreation, and accommodation, and food services	29,366	8.97%
Other services, except public administration	19,524	5.97%
Public administration	10,332	3.16%

Source: U.S. Census, American Community Survey 2006. Table DP-3.

Seattle Job Shed

Employment in Seattle has seen a number of shifts in the last several years. From 2002 to 2006, Seattle's "labor shed", or the number of jobs in the city, declined from 449,564 to 443,574. The number of employers declined from 32,658 to 29,704. Over the same period, Seattle's "commute shed", or the number of jobs held by Seattle residents, dipped and then upturned from 266,735 in 2002, to 263,830 in 2004, to 279,250 in 2006.



Source: U.S. Census, 2002-2006 LED Origin-Destination Database

Seattle is growing in share of higher-wage jobs and losing share of lower-wage jobs. Jobs located in Seattle earning less than \$3,400 per month declined from 55.9 percent in 2002 to 48.9 percent in 2006. Jobs earning more than \$3,400 per month increased from 44.1 percent to 51.1 percent. Among jobs held by Seattle residents, the share of jobs paying more than \$3,400 per month grew from 39.7 percent in 2002 to 48.3 percent in 2006. At the same time, the share of jobs paying under \$3,400 per month decreased from 60.3 percent in 2002 to 51.7 percent in 2006.

Labor Shed (Jobs Located in Seattle)						
Jobs by Earnings Paid	2002		2004		2006	
	Count	Share	Count	Share	Count	Share
* \$3,400 per month or less	251,508	55.9%	226,823	52.2%	216,953	48.9%
* More than \$3,400 per month	198,054	44.1%	207,729	47.8%	226,620	51.1%
Commute Shed (Jobs Held by Seattle Residents)						
Jobs by Earnings Paid	2002		2004		2006	
	Count	Share	Count	Share	Count	Share
* \$3,400 per month or less	160,951	60.3%	147,903	56.1%	144,252	51.7%
* More than \$3,400 per month	105,784	39.7%	115,927	43.9%	134,998	48.3%

Source: U.S. Census, 2002-2006 LED Origin-Destination Database.

Where Workers Live

Labor Shed. The majority of workers in Seattle, 72.4 percent, or 321,000 in 2006, lived in King County, spread across Seattle and other King County jurisdictions. 39.3 percent of people who worked in Seattle also lived in Seattle, but an even greater number, 191,531 or 43.2 percent, lived in “all other locations.” Smaller numbers of people who worked in Seattle also lived in Bellevue (14,068), Shoreline (11,877) and Kent (8,917). Tacoma, Federal Way, Renton, Everett, and Edmonds were places of residence for 6,000 to 8,500 workers each. This could be an indicator of the contrast in affordability and cost of living in Seattle compared with suburbs.

Job Counts in Cities/Towns Where Seattle's Workers Reside						
	2002		2004		2006	
	Count	Share	Count	Share	Count	Share
* Seattle, Washington	176,145	39.20%	167,203	38.5%	174,298	39.3%
* Bellevue, Washington	13,997	3.10%	14,116	3.2%	14,068	3.2%
* Shoreline, Washington	11,858	2.60%	11,398	2.6%	11,877	2.7%
* Kent, Washington	6,987	1.60%	8,986	2.1%	8,917	2.0%
* Tacoma, Washington	8,865	2.90%	8,134	1.9%	8,222	1.9%
* Federal Way, Washington	9,367	2.10%	8,677	2.0%	8,623	1.9%
* Renton, Washington	7,764	1.70%	7,873	1.8%	7,620	1.7%
* Everett, Washington	7,034	1.60%	6,747	1.6%	6,785	1.5%
* Edmonds, Washington	6,191	1.40%	5,830	1.3%	6,228	1.4%
* Cascade-Fairwood, Washington	5,379	1.20%	4,971	1.1%	5,405	1.2%
* All Other Locations	195,977	43.60%	190,620	43.9%	191,531	43.2%

Source: U.S. Census, 2002-200-2006 LED Origin-Destination Database.

Commute shed. Of the jobs held by Seattle residents in 2006, the vast majority (88.4 percent) were in King County and 62.4 percent, or 174,298 were located in Seattle. Another 5.1 percent were located in Snohomish County. Other significant job centers were Bellevue, with 6.3 percent, or 17,487 jobs, Redmond, with 4.6 percent or 12,765 jobs, and “all other locations” with 15.9 percent or 44,325 jobs.

Job counts in Cities/Towns Where Seattle Residents are Employed							
	2002			2004		2006	
	Count	Share		Count	Share	Count	Share
* Seattle, Washington	176,145	66.0%	* Seattle, Washington	167,203	63.4%	174,298	62.4%
* Bellevue, Washington	15,310	5.7%	* Bellevue, Washington	15,886	6.0%	17,487	6.3%
* Redmond, Washington	9,673	3.6%	* Redmond, Washington	11,866	4.5%	12,765	4.6%
* Tukwila, Washington	5,629	2.1%	* Renton, Washington	4,165	1.6%	5,784	2.1%
* Kent, Washington	4,057	1.5%	* Tukwila, Washington	5,534	2.1%	5,595	2.0%
* Kirkland, Washington	4,266	1.6%	* Kent, Washington	4,177	1.6%	4,588	1.6%
* Renton, Washington	3,815	1.4%	* Everett, Washington	3,843	1.5%	4,498	1.6%
* Shoreline, Washington	3,092	1.2%	* Kirkland, Washington	3,391	1.3%	3,593	1.3%
* Everett, Washington	3,576	1.3%	* Tacoma, Washington	2,783	1.1%	3,282	1.2%
* Bothell, Washington	2,640	1.0%	* Bothell, Washington	2,897	1.1%	3,035	1.1%
* All Other Locations	38,532	14.4%	* All Other Locations	42,085	16.0%	44,325	15.9%

Source: U.S. Census, 2002-200-2006 LED Origin-Destination Database.

Means of Transport to Work

The following table shows that the majority of workers still drive alone to work, accounting for 56.5 percent of all workers in 2000 and 55.2 percent in 2006. There was a decline in the share of workers who carpooled, from 11.2 percent to 9.7 percent. However, from 2000 to 2006, there was growth in the share of people who walked, took public transportation to work, commuted to work through other means, or worked at home.¹⁰

Means of Transportation to Work	2000	2006
	% share	% share
Workers 16 years and over	100.00%	100.00%
Car, truck, or van -- drove alone	56.55%	55.15%
Car, truck, or van -- carpooled	11.18%	9.65%
Public transportation	17.58%	17.79%
Walked	7.36%	8.38%
Other means	2.71%	3.37%
Worked at home	4.62%	5.65%

Source: U.S. Census 2000, Table DP-3. American Community Survey 2006, Table DP-3.

Generally, workers who commuted by public transportation tended to be minority, foreign-born, with lower earnings, below poverty, renters, and lacking a private vehicle, as described in the following paragraphs and table.

Race. Whites comprised a disproportionately greater share of workers who drove alone to work while workers of color were disproportionately represented among those who take public transportation to work. Whites comprised 74.5 percent of the worker population over 16 years of age, 77 percent of those who drove alone to work and 65.4 percent of those who took public transportation to work. African Americans made up 6.2 percent of the worker population, but 10.1 percent of those who took public transportation. Asians comprised 11.8 percent of the worker population, 13.2 percent of those who took public transportation and 17.5 percent of those who carpooled. Similarly, those who were foreign-born and/or speak a language other

¹⁰ It should be noted that there is a difference in how the 2000 U.S. Census and 2006 American Community Survey (ACS) measured "public transportation." The 2000 U.S. Census includes taxicabs in the definition of "public transportation", while the 2006 ACS excludes them from the definition of "public transportation" and includes them in the definition of "other means."

than English at home were a disproportionately greater share of those who take public transportation to work.

Median earnings of those who take public transportation (\$31,782) lagged behind those who drove alone (\$45,175) and those who carpooled (\$40,561). A greater percentage of those who took public transportation were below poverty level (8.6 percent) compared with those who drive alone (3.4 percent) or carpooled (5.2 percent).

Workers taking public transportation were more likely to be renters (61 percent) than owners (39 percent) while the reverse was true for those who drove alone, for whom 62.8 percent were living in owner-occupied housing units, and 37.2 percent were in rental units.

A much greater portion of those who took public transportation did not have a vehicle available (20.5 percent) compared with 1.4 percent of those who carpooled.

Characteristics of Commuting to Work, 2006				
Subject	Total	Drove alone in car, truck or van	Carpooled in car, truck or van	Public transportation (excluding taxicab)
Workers 16 years and over	318,402	175,612	30,734	56,656
RACE				
One race	N	N	N	N
White	74.50%	77.00%	67.40%	65.40%
Black or African American	6.20%	5.20%	7.80%	10.10%
Asian	11.80%	11.20%	17.50%	13.20%
Some other race	3.00%	2.60%	1.00%	6.10%
Two or more races	3.50%	2.80%	4.40%	4.40%
CITIZENSHIP STATUS				
Native	80.40%	82.00%	74.50%	74.50%
Foreign born	19.60%	18.00%	25.50%	25.50%
LANGUAGE SPOKEN AT HOME AND ABILITY TO SPEAK ENGLISH				
Speak language other than English	21.00%	19.20%	26.50%	26.00%
Speak English "very well"	10.80%	10.00%	12.60%	11.60%
Speak English less than "very well"	10.20%	9.20%	13.90%	14.40%
MEDIAN EARNINGS IN PAST 12 MONTHS FOR WORKERS	\$39,423	\$45,175	\$40,561	\$31,782
POVERTY STATUS IN THE PAST 12 MONTHS				
Workers 16 years and over for whom poverty status is determined	312,145	174,020	30,441	56,154
Below 100% of poverty level	5.80%	3.40%	5.20%	8.60%
HOUSING TENURE				
Owner-occupied housing units	56.40%	62.80%	64.30%	39.00%
Renter-occupied housing units	43.60%	37.20%	35.70%	61.00%
VEHICLES AVAILABLE				
No vehicle available	7.70%	1.00%	1.40%	20.50%
1 vehicle available	32.60%	29.30%	29.20%	40.50%
2 vehicles available	39.50%	45.90%	46.60%	24.50%
3 or more vehicles available	20.10%	23.70%	22.90%	14.50%

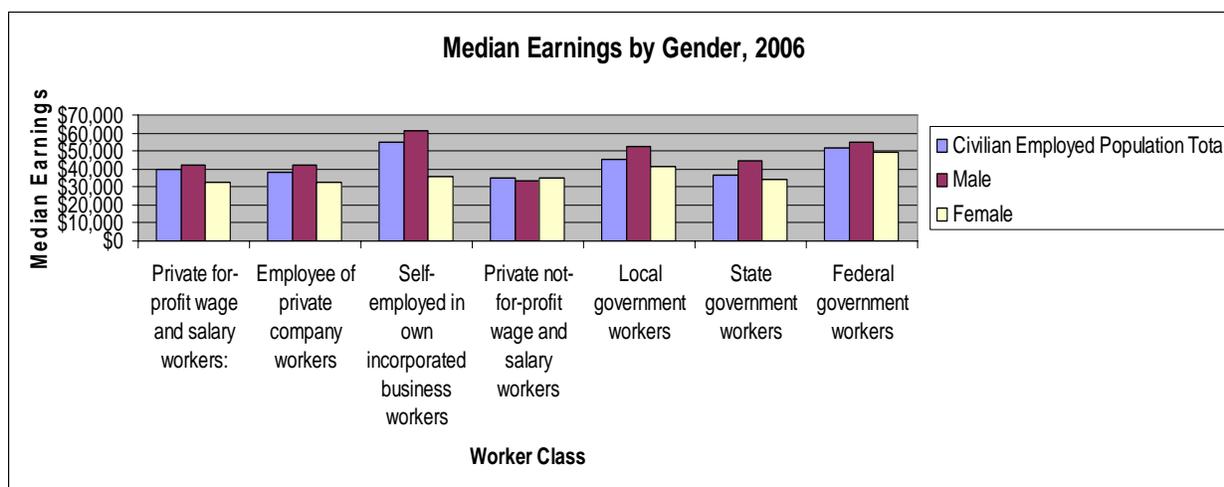
Source: U.S. Census, American Community Survey 2006. Table S0802.

Sex and Earnings

By worker class, private wage and salary workers (58.4 percent), including self-employed in own incorporated business (69.3 percent), had a significantly greater percentage of male than female workers, while non-profit and government workers at all levels were majority female (64.1 percent of private non-profit workers, 59.2 percent of local government workers, 56.9 percent of state government workers, 58.4 percent of federal government workers).

Numerous occupations were dominated by either male or female workers. Occupations with predominantly male workers included Computer and Mathematical (69.9 percent), Architecture and Engineering (70.2 percent), Protective Services (69.2 percent), Farming, Fishing and Forestry (78 percent), Construction, Extraction, Maintenance, and Repair (96.1 percent), Production, Transportation and Material Moving (70.5 percent). Occupations with predominantly female workers were: Community and Social Services (67 percent), Healthcare Practitioner and Technical (68.3 percent), Healthcare Support (84.5 percent), Personal Care and Service (74.1 percent), and Office and Administrative Support (69.2 percent).

Female median earnings lagged that of males in all worker classes (except private non-profit workers) and occupations, which corresponds with the analysis in the previous section describing lower income and greater poverty among females, particularly female headed households with no husband present, as shown in the chart below.



Source: U.S. Census, American Community Survey 2006. Table S2408.

In 2006, the largest gap by sex was among self-employed workers, for whom male median earnings were \$61,187 while that for females were \$35,711. Two other significant gaps were among local government workers, for whom male median earnings were \$52,295 while females' were \$41,742 and among state government workers, where male median earnings were \$44,734 and females' were \$33,928. Among private non-profit workers, female median earnings were \$35,329 to males' \$33,218.

In the vast majority of occupations, female median earnings lagged that of males. The two professions with the largest earnings gaps in 2006 were Health Diagnosing and Technical work, where male median earnings were \$93,485 to females' \$53,402; and Legal Professions, where male median earnings were \$95,849 to females' \$59,947. Earnings gaps in other occupations ranged from \$4,000 to \$20,000.

c. Housing Market Characteristics and Trends

Summary of Section

- Seattle's housing stock has expanded, particularly in development of single-family attached units (condominiums and townhouses).
- From 2000 to 2006, housing tenure shifted from being dominated (in percentage share) by renter-occupied units to owner-occupied units.
- In the homeownership market, the highest-priced single-family units tended to be in Queen Anne/Magnolia and Central Seattle. The highest-priced condominiums were located downtown, which for the first time in any area in the city, surpassed \$550,000 in median price in 2007. All other areas also increased in median prices since 2004, particularly Southeast Seattle, whose condo prices had surpassed several other geographic areas by 2007.
- The rental housing market overall experienced a "soft" market from 2002 to 2005, in the context of a regional economic slowdown, and has gradually gained strength since. Market indicators reflecting this trend have included generally falling vacancies, rising rents, declining number of days vacant, increased rent projections, and reduction in rent incentives.
- In recent years, strong job and population growth fueled by a healthy regional economy have created a robust private housing market that has reduced affordability. This has dramatically impacted low-income residents, who are disproportionately racial minorities and other members of protected classes. A City-commissioned study by Kate Davis analyzing 2000 Census data found a negative correlation between housing costs and the proportion of non-white residents in Seattle neighborhoods and concluded that rising housing costs could create a barrier to racial minorities, who, on average, earn less than whites. Other data, specific to the Central Area neighborhood, finds that between 1980 and 2000, rents rose from 73 to 83 percent of the county average while home values rose from 63 to 73 percent. During the same time period, the neighborhood's African-American population decreased 36 percent.

Housing Supply Characteristics

Type of housing stock. The table below shows an estimate of 275,327 total occupied units of housing in Seattle in 2006, compared with 258,510 units in 2000.

By housing type, the share of single detached housing declined from 2000 to 2006 while that of single-unit attached housing and housing in buildings with more than 20 units grew.

In 2006, 47.9 percent of housing units, or an estimated 131,785 units, were single-family detached. This represented a share decrease from 49.1 percent but a rise in absolute numbers of 4,000 units, compared with 2000.

The next largest category was multifamily buildings with 20 units or more, which comprised 26.4 percent, or an estimated 72,738 units, in 2006. This represented an increase of 2.1 percent and nearly 10,000 units from 2000.

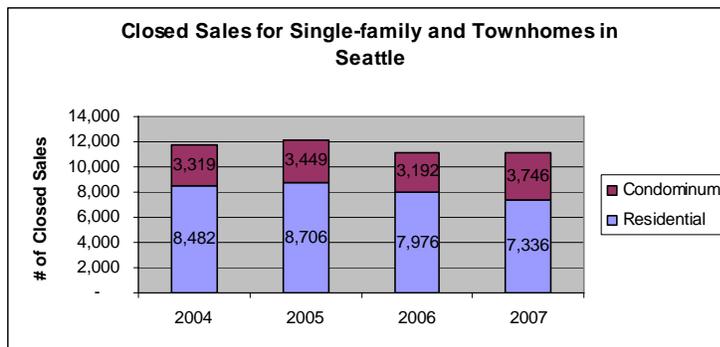
Single-family attached units also expanded over the same time period, reflecting the growth in condominiums in Seattle. This housing type expanded from an estimated 5,656 units in 2000 to 8,112 in 2006.

Selected Housing Characteristics	2000	Estimate 2006
UNITS IN STRUCTURE	% of total	% of total
1-unit, detached	49.13%	47.86%
1-unit, attached	2.19%	2.95%
2 units	3.58%	3.24%
3 or 4 units	4.50%	3.92%
5 to 9 units	7.00%	6.11%
10 to 19 units	8.82%	9.12%
20 or more units	24.28%	26.42%
Mobile home	0.21%	0.36%
Boat, RV, van, etc.	0.29%	0.02%

Source: U.S. Census, American Community Survey 2006, Table DP-4. U.S. Census 2000, SF3 Table H30.

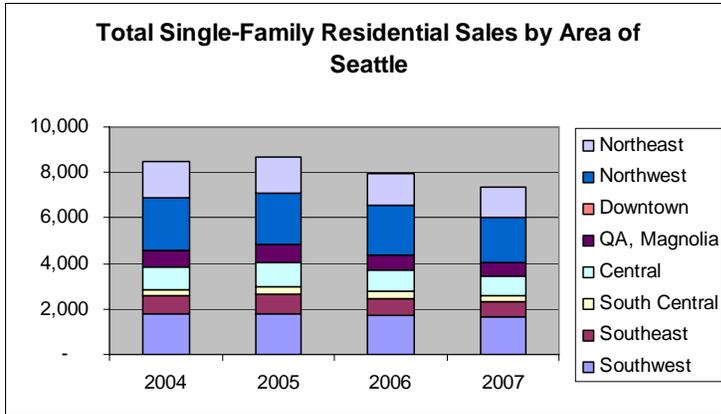
Homeownership Market

Volume of sales. Since 2004, approximately 12,000 single family and condominium residential units have been sold per year. In 2007, condominium sales totaled 3,746 and residential single-family sales totaled 7,336. This represented an increase in condominium sales of nearly 800 units compared with 2006, and a decrease in sales of single-family residential units of over 600 units over the same time period.

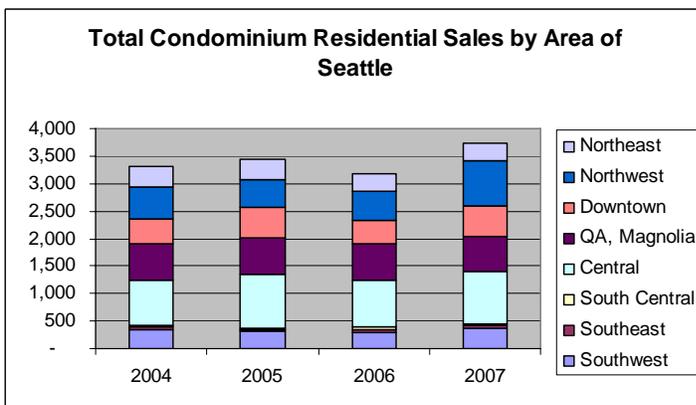


Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.

Location of sales. Geographically, the largest numbers of single-family home sales occurred in Northwest, Southwest and Northeast Seattle. This pattern did not change significantly from 2004 to 2007. For condominium sales, Central and Northwest Seattle were the areas with the largest number of sales. Condo sales in downtown and Northwest Seattle increased significantly from 2006 to 2007 (419 to 544 units in downtown, 521 to 814 units in Northwest Seattle). These trends are shown in the following two charts.

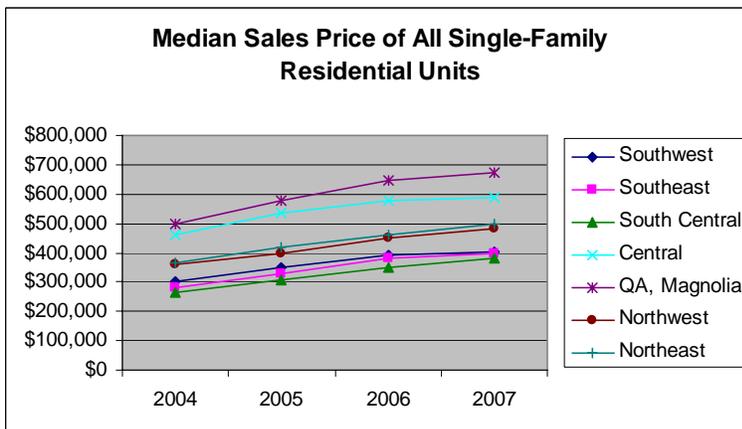


Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.



Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.

Sales prices. The highest-priced single-family units tended to be in Queen Anne/Magnolia and Central Seattle. This pattern has continued since 2004 for single-family units, even as prices in most areas have increased uniformly. Among new construction single-family homes specifically, South Central Seattle, which had the lowest median prices in 2004, surpassed several other neighborhoods in median price to become the third highest in 2007. Additionally, prices in Queen Anne/Magnolia and Northeast Seattle fell, but the former remained the highest priced area while the latter's price decline rendered it the lowest-priced of all the areas.

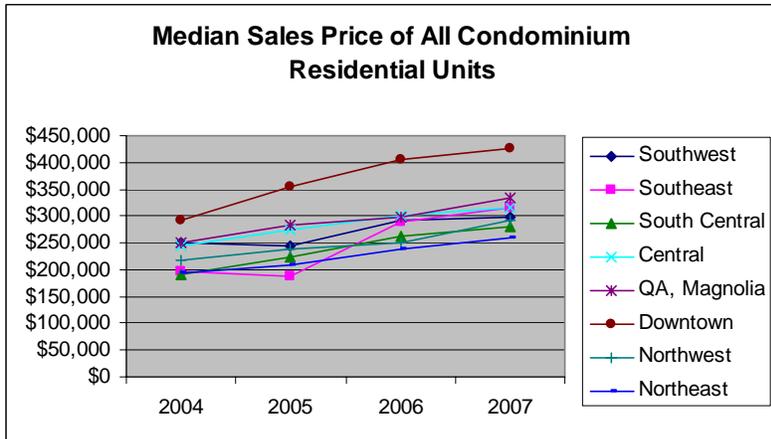


Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.

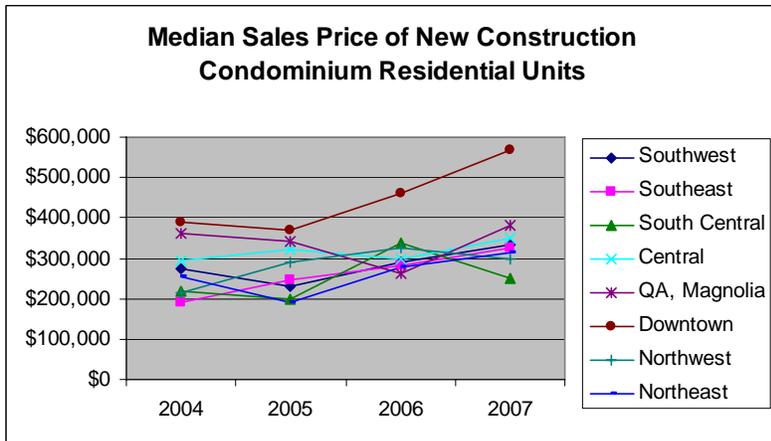


Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.

The highest-priced condominiums in 2007 were located downtown, which for the first time in any area in the city, surpassed \$550,000 in median price (for new units) in 2007. All other areas also increased in median prices since 2004, particularly Southeast Seattle, whose condo prices had surpassed several other geographic areas by 2007.



Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.



Source: Northwest Multiple Listing Service (NWMLS) Closed Sales Reports.

Rental Market

The analysis of Seattle’s rental housing stock in this section is based on data from Dupre + Scott Apartment Advisors that is collected in two categories of building sizes: buildings with 19 units or less and buildings with 20 units or more. The analysis describes trends synthesized across both categories, and distinguishes both categories when trends for each diverge.

General market trends. Overall, the rental market experienced a “soft” market from 2002 to 2005, in the context of a regional market slowdown, and has gradually gained strength since. Market indicators reflecting this trend have included generally falling vacancies, rising rents, declining number of days vacant, increased rent projections, and reduction in rent incentives.

During the soft market, the number of days properties in large buildings were vacant increased from a typical length of less than 10 days, to 25 to 30 days from 2002 to 2005. This has fallen since, with an average 9 days vacancy in 2007. Additionally, a significant portion of larger rental buildings began to offer rent incentives in 2002, averaging between \$600 and \$650; however, these have declined in both frequency and average amount since late 2005. As well, projected rent increases for larger buildings, which had averaged 4 to 5 percent prior to 2002, dropped to 2 to 3 percent during the slump years, and have since rebounded to 5 percent. These indicators of a strengthening rental market translate into less housing affordability, which will bring added challenges to fair housing by reducing housing choice for protected classes.

General Market Indicators for Buildings with 1-19 Units						
Survey	Gross Vac	Rent	NRSF	\$/NRSF	Bldgs	Units
1998	1.82%	\$720	505	\$1.39	1,436	5,668
1999	2.36%	\$753	616	\$1.20	1,492	6,144
2000	2.40%	\$792	664	\$1.18	1,561	6,618
2001	1.92%	\$841	653	\$1.26	1,612	7,091
2002	4.59%	\$885	637	\$1.35	1,916	7,212
2003	5.97%	\$878	660	\$1.30	1,873	7,257
2004	6.03%	\$834	731	\$1.15	1,502	7,267
2005	5.83%	\$832	691	\$1.19	1,590	7,534
2006	3.91%	\$858	749	\$1.15	1,528	7,311
2007	3.91%	\$905	736	\$1.23	1,566	7,780

Source: Dupre + Scott Apartment Advisors

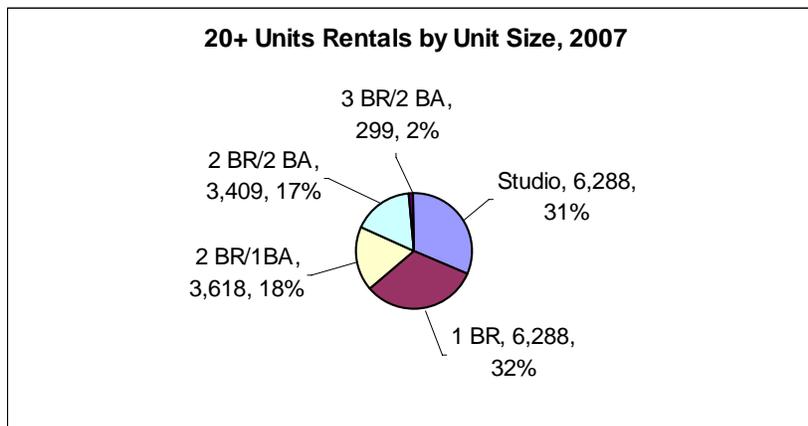
General Market Indicators for Buildings with 20+ Units						
Survey	Mkt Vac	Gross Vac	Rent	\$/NRSF	Bldgs	Units
Spring 1997	1.69%	1.69%	\$647	\$0.97	489	24,955
Fall 1997	1.75%	1.83%	\$674	\$1.02	478	24,641
Spring 1998	2.17%	2.22%	\$706	\$1.06	497	25,105
Fall 1998	1.75%	1.90%	\$734	\$1.10	454	22,656
Spring 1999	2.91%	2.99%	\$738	\$1.12	507	25,331
Fall 1999	2.52%	3.13%	\$779	\$1.17	456	23,617
Spring 2000	2.62%	3.31%	\$793	\$1.18	489	24,890
Fall 2000	2.12%	3.55%	\$820	\$1.22	507	26,400
Spring 2001	3.26%	4.03%	\$859	\$1.27	471	24,284
Fall 2001	4.51%	7.51%	\$912	\$1.33	509	27,576
Spring 2002	7.09%	8.60%	\$892	\$1.32	536	28,395
Fall 2002	6.64%	7.71%	\$888	\$1.29	510	27,991
Spring 2003	6.75%	7.30%	\$888	\$1.30	541	29,234

Fall 2003	6.89%	6.94%	\$911	\$1.32	479	27,098
Spring 2004	6.35%	6.87%	\$889	\$1.29	489	27,599
Fall 2004	5.33%	6.21%	\$887	\$1.28	478	27,361
Spring 2005	5.34%	5.49%	\$899	\$1.29	485	27,953
Fall 2005	4.10%	4.32%	\$904	\$1.33	492	28,257
Spring 2006	3.67%	4.20%	\$923	\$1.35	506	28,781
Fall 2006	3.12%	3.65%	\$955	\$1.40	525	30,560
Spring 2007	2.74%	2.89%	\$987	\$1.44	535	30,168
Fall 2007	2.89%	3.72%	\$1,065	\$1.55	480	28,309

Source: Dupre + Scott Apartment Advisors

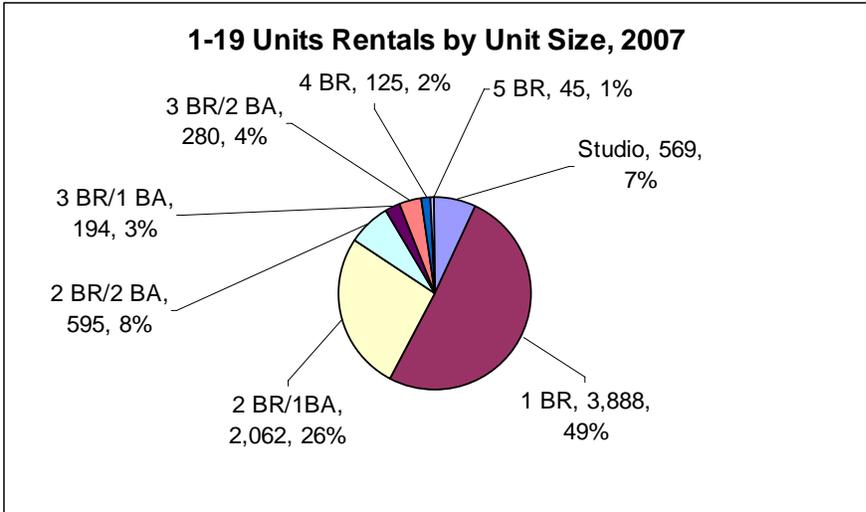
Characteristics of rental stock. Among all rental housing units, the majority are in larger buildings with over 20 units, which totaled 28,309 units citywide based on the Dupre+Scott Fall 2007 survey, an increase from 24,955 units in 1997. Buildings with fewer than 20 units included a total of 7,780 units citywide in 2007, an increase from 5,668 units in 1998.

Among larger buildings, the most prevalent size rentals were studio and 1-bedroom units, comprising 32 percent, or 6,288 units each, shown in the chart below. The second most prevalent were 2-bedroom 1-bath units, totaling 3,618, or 18 percent share. Larger sizes, i.e. 3-bedroom units, were a significantly smaller share at 299 units.



Source: Dupre + Scott Apartment Advisors, Apartment Vacancy Report, Fall 2007

Among smaller rental buildings, the most prevalent size rentals were 1-bedrooms, comprising 49 percent, or 3,888 units. The second most prevalent were 2-bedroom 1-bath units, totaling 2,062, or 26 percent share. As with the larger buildings, larger size units were significantly smaller shares with 3- to 5- bedroom units together totaling only 640 units.



Source: Dupre + Scott Apartment Advisors, Apartment Vacancy Report, Fall 2007

Generally, larger unit sizes had higher vacancy rates. For both size categories of rental buildings, units 3 bedrooms and larger have noticeably higher vacancy rates compared with small size units. Further, this discrepancy has been widening rather than narrowing since 2004, despite the strengthening market. While the higher vacancy rate among larger units appears to bode well for families seeking housing, it could also indicate a lack of affordability of these units for low-income families, given the income analysis described in an earlier section.

Vacancy Rates by Unit Size for 1-19 Unit Buildings								
	Studio	1 BR	2 BR 1 BA	2 BR 2 BA	3 BR 1 BA	3 BR 2 BA	4 BR	5 BR
1998	0.90%	1.50%	1.90%	2.30%	3.80%	2.30%	1.10%	0.00%
1999	1.90%	1.90%	2.90%	0.80%	4.90%	4.30%	3.60%	2.40%
2000	1.80%	1.70%	2.70%	2.20%	6.60%	3.90%	5.40%	9.80%
2001	2.00%	1.90%	1.90%	2.00%	2.70%	1.50%	1.60%	5.10%
2002	4.80%	4.50%	5.30%	5.00%	2.00%	3.50%	1.70%	4.30%
2003	5.90%	5.50%	7.70%	5.00%	4.00%	4.90%	2.00%	2.00%
2004	5.30%	5.60%	6.70%	6.00%	8.70%	6.60%	6.40%	6.10%
2005	3.90%	4.80%	6.60%	5.60%	9.40%	14.30%	12.90%	4.20%
2006	3.00%	3.10%	4.10%	3.30%	6.50%	11.80%	13.80%	8.50%
2007	2.80%	2.10%	3.80%	3.70%	14.90%	16.80%	16.80%	17.80%

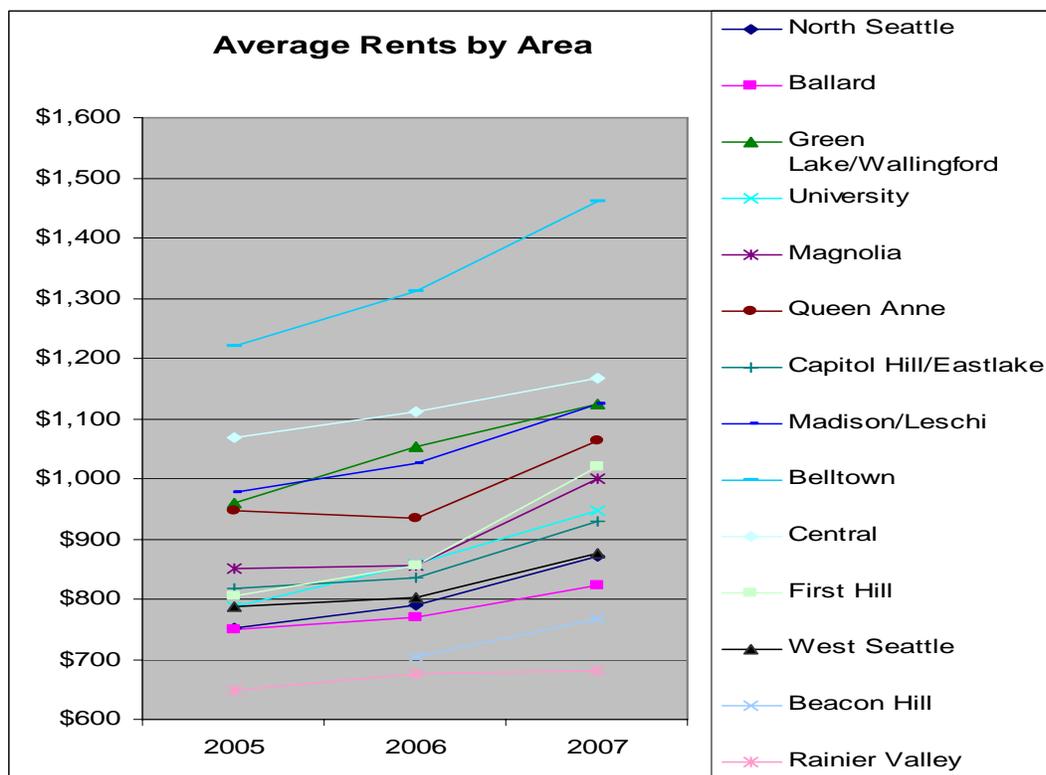
Source: Dupre + Scott Apartment Advisors

Vacancy Rates by Unit Size for 20+ Unit Buildings					
	studio	1 BR	2 BR 1 BA	2 BR 2 BA	3 BR 2 BA
1997	2.00%	1.80%	2.00%	2.00%	2.40%
1998	2.30%	1.70%	2.00%	2.40%	3.30%
1999	3.30%	2.90%	3.90%	3.40%	3.60%
2000	4.10%	3.60%	3.90%	3.90%	4.90%
2001	9.40%	8.90%	6.00%	10.90%	5.50%
2002	8.70%	7.30%	6.70%	11.80%	9.10%
2003	7.10%	6.60%	8.50%	7.80%	6.50%
2004	6.20%	6.00%	6.60%	8.40%	9.40%
2005	4.80%	3.70%	5.70%	6.00%	7.00%
2006	4.20%	3.80%	2.80%	5.10%	6.80%
2007	3.20%	4.00%	4.40%	5.30%	10.00%

Source: Dupre + Scott Apartment Advisors

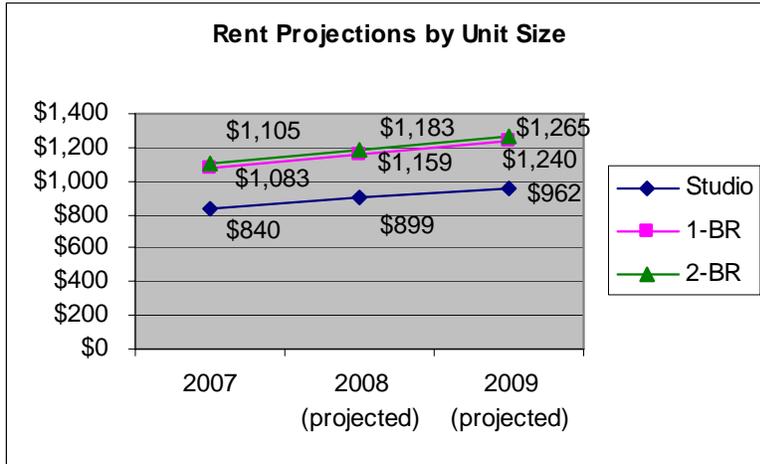
Trends in Average Rents. In general, the average rent per net rentable square foot decreases as the unit size increases. This pattern has held true since 1998 for both smaller and larger rental buildings. However, for smaller rental buildings, average rent per net rentable square foot has declined (from \$1.39 in 1998 to \$1.23 in 2007), while it has increased for larger buildings (from \$0.97 in 1997 to \$1.55).

The chart below shows average rents for 2005 to 2007 by sub-areas in Seattle. Belltown has consistently held the highest average rents citywide, with growth in rents rising more quickly than other areas as well, resulting in a widening gap. Beacon Hill and Rainier Valley were the two areas with the lowest average rents.



Sources: Dupre + Scott Apartment Advisors

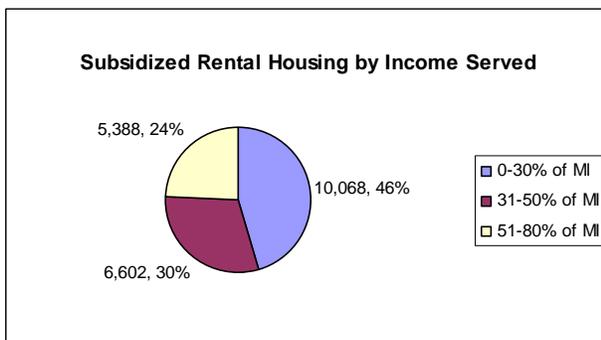
The chart below shows estimated rent projections by unit size for 2008 and 2009. The data indicate that rents will continue to increase across studio, 1-bedroom and 2-bedroom units in the near future. This, in concert with potential impacts from the current mortgage crisis (discussed in the “Impediments” section) could bring added challenges to populations protected by fair housing laws.



Sources: Dupre + Scott Apartment Advisors

Subsidized Rental Housing

Assisted rental housing inventory. Seattle has an estimated 22,000 subsidized rental housing units. Seattle has a strong network of non-profit housing developers in addition to the Seattle Housing Authority, one of the best public housing authorities in the nation. Together, the federal government, state, county and city governments, and private organizations have funded an estimated 22,000 subsidized rental housing units for low-income families and individuals. These units are located throughout the city, with the highest concentration in downtown.



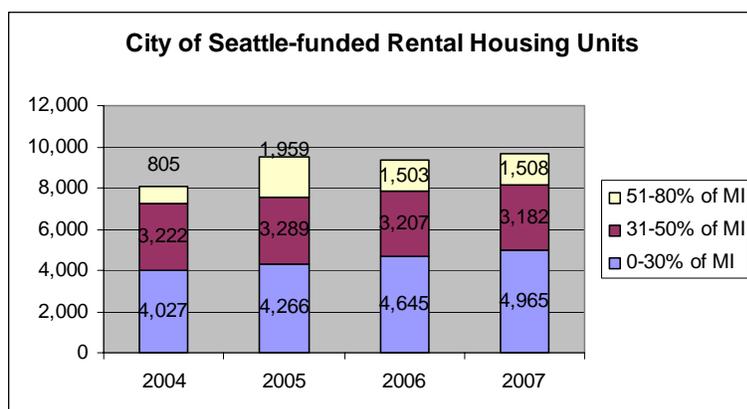
Sources: Seattle Office of Housing, February 2008 Estimate

The majority of subsidized rental units are affordable to those earning less than half the median income. More than three-quarters of all subsidized housing units in Seattle are affordable to households earning 0-50% of median income: nearly half are affordable to households earning less than 30% of median income.

Subsidized Rental Housing in Seattle by Location			
Neighborhood District	All Units	Below 30%	% share of units below 30% MI
Ballard	694	298	42.9%
Central	1,651	537	32.5%
Delridge	724	392	
Downtown	5,260	2,750	52.3%
Duwamish	1,798	698	38.8%
East	3,869	1,656	42.8%
Lake Union	2,276	1,109	48.7%
North	972	589	60.6%
Northeast	760	363	47.8%
Northwest	1,145	640	55.9%
Queen Anne/Magnolia	547	391	71.5%
Southeast	2,079	550	26.5%
West Seattle	283	95	33.6%
	22,058	10,068	45.6%

Sources: Seattle Office of Housing, February 2008 Estimate

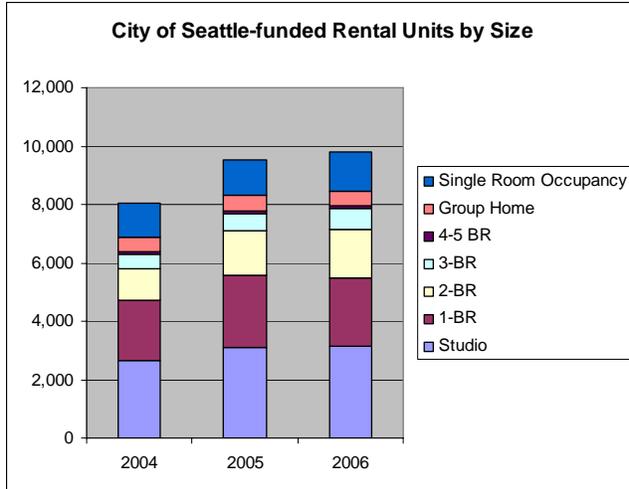
City of Seattle-funded Assisted Housing Portfolio. The City of Seattle funds a significant portion of assisted rental housing in the city. Since 2003, the total number of units funded has increased. The chart below details the composition of City-funded units by income level served and indicates a growing number of units in the extremely and very low-income categories.



Sources: City of Seattle Office of Housing Annual Reports for 2004, 2005, 2006 and 2007.

Service-enriched housing. Among the units noted above are a significant portion that provide services along with housing. Several of these assist residents who fall into one or more classes protected by fair housing laws, including elderly, youth, the physically and developmentally disabled and other residents with special needs.

Unit Sizes. The chart below shows unit size breakdown among those funded by the City of Seattle. Studios and 1-bedroom are the most prevalent unit sizes. The share of each unit size among total units has stayed relatively stable since 2003, with the most significant increases being in 2-bedroom units (from 969 in 2003 to 1,668 in 2006). Three-bedroom units also increased from 491 to 687 units over the same period.



Sources: City of Seattle Office of Housing Annual Reports for 2004, 2005, 2006 and 2007.

Seattle Housing Authority (SHA) assisted housing. In 2007, SHA's housing units served a total of over 24,500 individuals in 12,700 households in several programs, shown in the table below. SHA's portfolio includes over 8,300 Housing Choice vouchers (project- and tenant-based), 5,200 low-income public housing units, and nearly 1,000 senior housing units. From 2006 to 2007, the number of individuals residing in SHA housing stock increased overall, including the number of individuals served by housing vouchers and Section 8 moderate rehabilitation housing.

Housing Program	2006		2007	
	Individuals	Households	Individuals	Households
Housing Choice Vouchers (used in Seattle)	13,245	6,025	13,562	6,268
Section 8 New Construction	101	94	95	90
Section 8 Mod Rehab	822	652	881	709
Low Income Public Housing	9,041	4,793	8,912	4,761
Seattle Senior Housing Program	1,084	953	1,079	950
Total	24,293	12,517	24,529	12,778

Source: Seattle Housing Authority *Moving to Work Report 2006, 2007*.

Additionally, two significant trends have taken place related to SHA housing over the past several years. First is SHA's redevelopment of several of its mixed-income communities with the objective of deconcentrating poverty. Public housing at the former Holly Park and Rainier Vista in South Seattle and High Point in West Seattle have been transformed into new mixed-use and mixed-income communities serving a broad range of residents. There were no unit changes due to these redevelopments between 2006 and 2007, except a few project-based vouchers that came on line as Holly Park replacement units.

Second, SHA has pursued a strategy of selling off approximately 200 units of scattered site housing primarily in north and west Seattle, in order to improve maintenance costs and efficiencies. At the close of 2007, SHA had sold a total of 146 of the identified units and replaced 108 2+ bedroom units in other apartment buildings. SHA plans to complete the sale and replacement of all the remaining units in 2008, including a commitment to keeping 160 of its

largest single-family houses that will accommodate families with children and tenants with special needs in recognition of the existing challenges to finding units of those sizes.¹¹

Housing Tenure

From 2000 to 2006, housing tenure shifted from being primarily renter-occupied to being primarily owner-occupied. Owner-occupied units increased from an estimated 125,151 units in 2000 to 142,914 units in 2006; however, the share of owner-occupied units expanded from 48.4 to 51.9 percent. Renter-occupied units decreased from 133,359 to 132,413 units over the same time period, and the percentage share declined from 51.6 to 48.1 percent.

Housing Tenure	2000	Estimate 2006
	% of total	% of total
Occupied housing units	100.00%	100.00%
Owner-occupied	48.41%	51.91%
Renter-occupied	51.59%	48.09%

Source: U.S. Census, American Community Survey 2004, 2005 and 2006. Table DP-4. . U.S. Census 2000, SF3 Table H7.

The table below shows the composition of and shifts in housing tenure by household type. Overall, the majority of married-couple family households live in owner-occupied housing units. This represented a 51.2 percent share of all owner-occupied housing in units in 2000, and had declined slightly to 51.0 percent in 2006. Nonfamily households comprised the second-largest share of owner-occupied housing units, at 38.7 percent in 2000 and 39.5 percent in 2006.

Nonfamily households made up the greatest share of renter-occupied units, totaling over 95,000 units or 71.5 percent in 2000. This grew slightly to 95,735 units, or 72.3 percent, in 2006. Conversely, married-couple family households' share of renter-occupied units was 22,203 units or 16.7 percent in 2000, and declined slightly to 21,716 units, or 16.4 percent share in 2006.

Households headed by a male or female householder with no spouse present, represented much smaller shares of occupied housing units. Female-headed households with no husband present numbered 9,575 owner-occupied units and 10,990 renter-occupied units in 2006. These had stayed relatively steady since 2000. Male-headed households with no wife present totaled 3,859 owner-occupied units and 3,972 renter-occupied units in 2006.

Housing Tenure by Family Household Type						
	2000			2006		
	% share Owner-occupied housing units	% share Renter-occupied housing units	% share total occupied housing units	% share Owner-occupied housing units	% share Renter-occupied housing units	% share total occupied housing units
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Married-couple family household	51.2%	16.6%	33.4%	51.0%	16.4%	34.4%
Male householder, no wife present family household	2.7%	3.4%	3.1%	2.7%	3.0%	2.8%
Female householder, no husband present family household	7.4%	8.4%	7.9%	6.7%	8.3%	7.5%
Nonfamily household	38.7%	71.5%	55.6%	39.5%	72.3%	55.3%

Source: U.S. Census, American Community Survey 2006, Table S2501. U.S. Census 2000, SF3 Table H19.

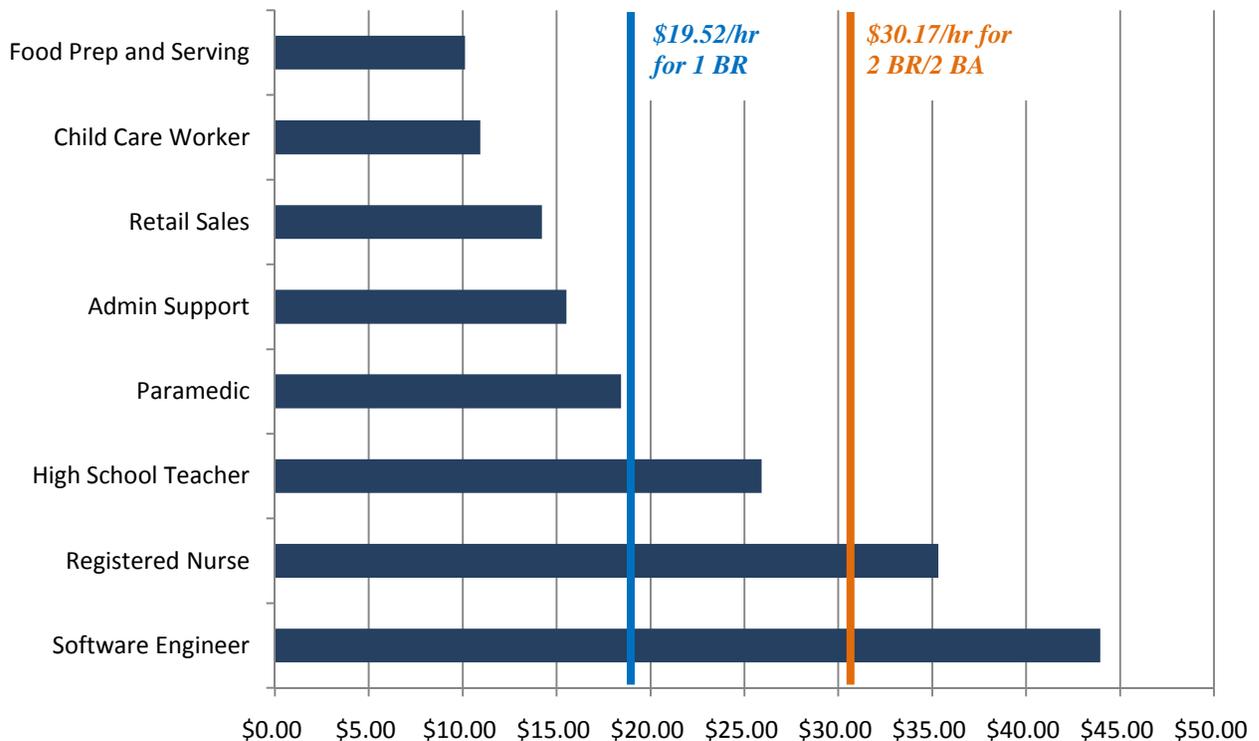
¹¹ Seattle Housing Authority. *2007 Moving to Work Annual Report*.

Cost Burden and Affordability

The following section on housing affordability and cost burden is excerpted from the City of Seattle 2009-12 Consolidated Plan, Housing Market Chapter.

Rental Affordability. Many workers in the area cannot afford Seattle rents, illustrated in the chart below.

Average Wages and Affordability of Average Rents



Source: Wage information for Seattle-Bellevue-Everett Metro area from State Employment Security Department, 2008; estimated average rents from Dupre+Scott Apartment Advisors, Spring 2008; affordability calculations by Seattle Office of Housing.

Area workers in a number of different occupations cannot afford a one bedroom apartment in Seattle. In each of these common low- to moderate- wage occupations – food server, child care worker, retail salesperson, paramedic, and administrative assistant – average wages are too low for Seattle Metro Area¹² workers to afford the average one bedroom apartment. The average one bedroom apartment in Seattle requires an hourly wage of \$19.52, or an annual income of \$40,600.¹³

Single-earner households, including single-parent families, often have difficulty affording a two

¹² The finest level geography for which detailed occupational wage estimates are available from the Washington Department of Employment Security is the Metro Area level. The department obtains the estimates from the Occupational Employment Statistics (OES) Survey of employers.

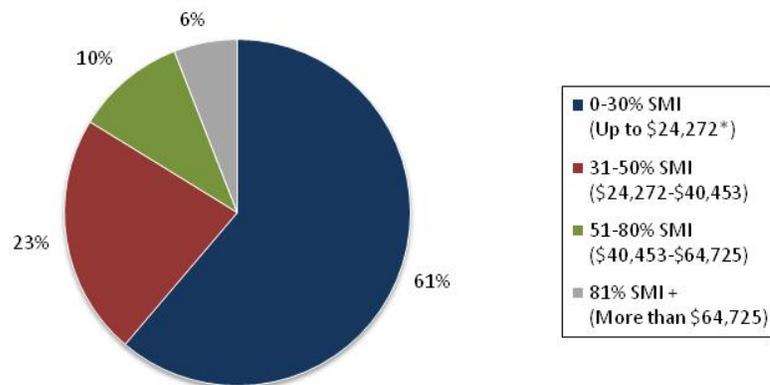
¹³ Estimates of wages required to afford average rents assume each earner works 40 hours per week (or, for a teacher, divides the average annual salary by 2080 hours). An affordable rent is considered to be any amount less than or equal to 30% of one month's earnings.

bedroom/two bath apartment with wages in many common occupations. In addition to the occupations mentioned in the prior example, the average wage paid to high school teachers in the Seattle area is not enough to afford a two bedroom/two bath apartment. The average two bedroom/two bath apartment in Seattle requires an hourly wage of \$30.17 in a full-time job, or an annual income of \$62,760.

The average rent for a two bedroom/two bath apartment in Seattle is also not affordable for many two-earner households. For example, two-earner households earning average wages in any combination of the first three occupations on the chart on the previous page would not be able to afford such a unit, even with both earners working full time.

Severely Cost Burdened Renter Households. More than 21,000 renter households pay more than half their income for rent, illustrated in the chart below.

Income of Renter Households Paying More than Half of Income for Rent



Source: US Census, 2006 American Community Survey PUMS. Analysis does not include one-person student households.

Note that the U.S. Census Bureau does not have cost burden data for approximately 4,800 (or 4.2% of) of renter households.

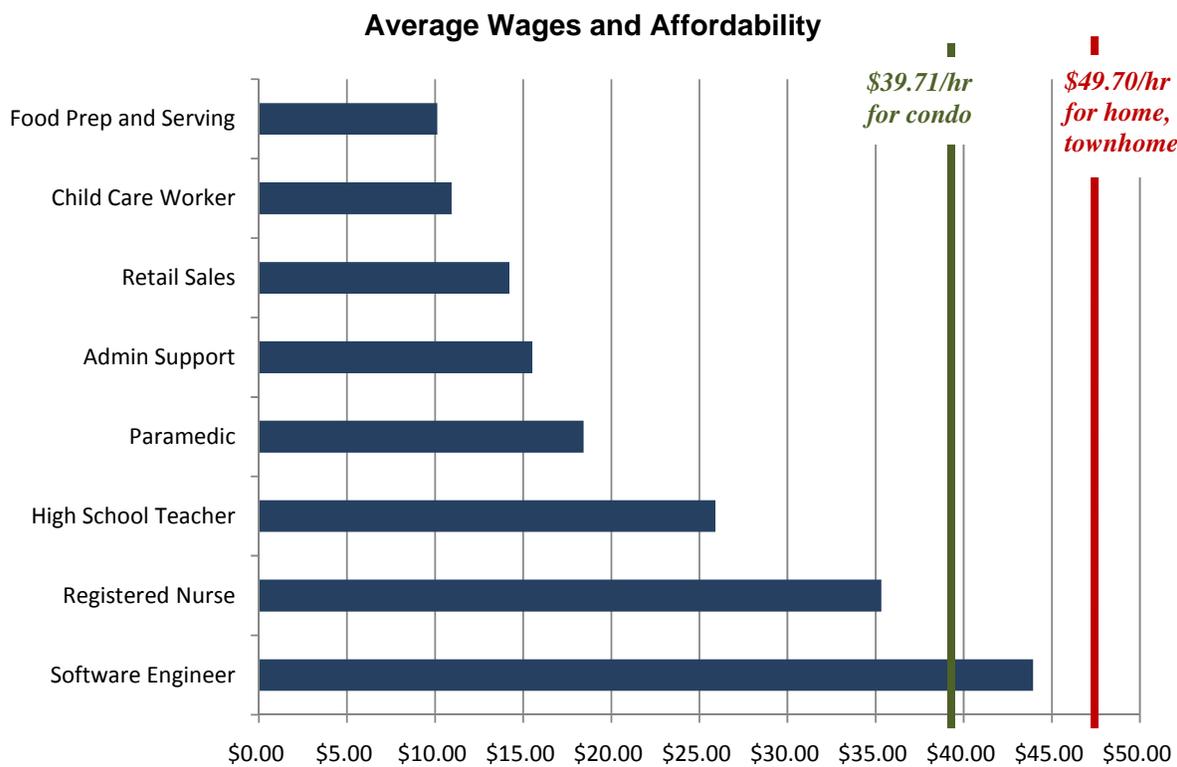
*Income figures are 2006 Seattle Median Income for two-person households, shown in 2008 dollars (see Note 1 at the end of the Housing Market section for more information). The dollar figures are included to show context only.

Roughly 18 percent of Seattle renter households pay more than half their income for rent. The number of Seattle renter households paying more than half of their income for rent is estimated at 21,400 (not including one-person student households).

Severe cost burden is mostly borne by extremely low income households. The chart above shows the income levels of those who pay more than half their income for rent, demonstrating that the most severe housing cost burden is shouldered by extremely low-income households. Those with incomes between 0 and 30% of the Seattle median income make up more than 60% of the renter households in Seattle with a severe cost burden.

About 9 percent of Seattle renter households pay more than three-quarters of their income for rent. The number of Seattle renter households paying more than three-quarters of their income for rent is estimated at roughly 10,600 (not including one-person student households). About eight in ten of these very severely cost burdened renter households have incomes between 0 and 30 percent of the Seattle median income.

Ownership Affordability. Many Seattle workers cannot afford to own a home. The chart below shows average wages required to afford a home in Seattle.



Source: Wage information for Seattle-Bellevue-Everett Metro area from State Employment Security Department, 2008; median home sale prices for January-June 2008 from Northwest Multiple Listing Service; affordability calculations by Seattle Office of Housing

“In the 1970s, a firefighter, teacher, or bus driver could afford to live in Seattle. Now, fewer than 40% of Seattle firefighters live in Seattle. Our core personnel are being forced to chase affordable housing often far from their jobs.” - Middle Income Housing Alliance

Many workers cannot afford to buy a condominium. Only two of the common Seattle occupations listed above – a computer software engineer and a registered nurse – pay enough, on average, for a single job holder to afford the median-priced Seattle condo (\$328,625). Even many two-earner households cannot afford to purchase the median priced condominium, which requires an hourly wage of \$39.71. This translates into an annual income of \$82,600 – 127 percent of the HUD-published median income for a 2-person household.¹⁴

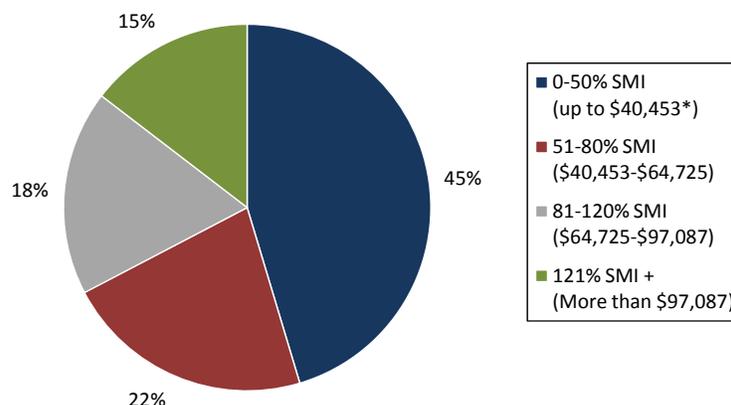
Single-family homes and townhomes are even less affordable. The median-priced home in Seattle (\$468,775) requires an hourly wage of \$49.70 to be affordable. Workers in any of the common occupations listed above cannot afford to purchase this median-priced home with the average wages that employers in the Seattle area pay persons in these occupations. Some combinations of occupations in a two-earner household can afford a median-priced house or townhome; but others cannot. For example, a registered nurse and a retail sales clerk would

¹⁴ Affordability analysis assumes 0.876% of assessed value for annual taxes; \$45 per month insurance; \$300 per month condo fees; 6.24% 30-year fixed rate mortgage; and 35% front end ratio (housing costs as percent of gross income).

earn just enough to afford the median-priced home, but a child care worker and paramedic's combined income would not be high enough. Ensuring an affordable mortgage payment for such a home would require an annual income of \$103,200 – 141 percent of the HUD-published median income for a 3-person household.¹⁵

Severely Cost Burdened Owner Households. More than 18,000 homeowners pay more than half their income for housing costs, represented in the chart below.

Income of Owner Households Paying More than Half of Income for Housing



Source: US Census, 2006 American Community Survey PUMS. Totals do not include one-person student households.

Note that the U.S. Census Bureau does not have cost burden data for approximately 270 (or 0.2% of) owner households.

*Income figures are 2006 Seattle Median Income for two-person households, shown in 2008 dollars (see Note 1 at the end of the Housing Market section for more information). The dollar figures are included to show context only.

American Community Survey PUMS data suggest that about 14 percent of Seattle homeowners pay more than half their income for housing costs. Based on this analysis, the number of Seattle homeowner households paying more than half of their income for housing costs is estimated at about 19,000 (not including one-person student households). The estimates regarding cost burden among homeowners includes owner households who currently have a mortgage, as well as those who do not.

Severe cost burden is distributed among income groups. The chart above shows the income levels of homeowner households who pay more than half their income for housing costs: 67 percent of those households earn 0-80 percent of the Seattle median income, but another 33 percent earn more than 80 percent of median income.

Homeowners with a severe cost burden are at greater risk of foreclosure. Households who must pay more than half their income for housing, particularly those with low incomes, may find it difficult to make payments on their mortgage and therefore may be at risk of foreclosure. As previously discussed, foreclosure rates are currently on the rise in Seattle, as they are in the nation as a whole.

¹⁵ Assumes 0.876% of assessed value for annual taxes; \$65 per month insurance; 6.24% 30 year fixed rate mortgage; and 35% front end ratio (housing costs as percent of gross income).

Racial Segregation

Despite historic segregation in Seattle, the city has become more racially diverse over the past four decades. Neighborhoods have also become more diverse. However, in recent years, strong job and population growth fueling a healthy regional and local economy have driven a robust private housing market that has reduced affordability. This has rendered housing inaccessible to many low-income residents who are disproportionately racial minorities, despite public programs and policies to preserve and expand affordable housing.

According to a 2005 study commissioned by Seattle’s Human Services Department, Seattle had been a racially segregated city until the late 1970s, with 75 percent of the city’s non-white population residing in three neighborhoods: Garfield-Madrona, Rainier Valley and Rainier Beach.¹⁶ The ship canal was commonly referred to the traditional dividing line between whites and people of color.¹⁷ This landscape had resulted from a host of factors, including a number of racist institutional practices: the Chinese Exclusion Act of 1882, Japanese internment during World War II, local exclusionary zoning ordinances and restrictive covenants and biased mortgage insurance that kept Asian-Americans and African-Americans out of white neighborhoods.¹⁸

In ensuing decades, the racial composition of Seattle’s neighborhoods began to shift due to a combination of overall population growth, community-based efforts, and changed public policies (including enactment of the city’s Fair Housing Ordinance in 1968 and new policies by the City of Seattle and the Seattle Housing Authority to ensure integration). As a result, Seattle’s population overall became more diverse. In 1980, 21 percent of Seattle’s population was people of color; by 2000, minorities accounted for 32 percent of total population.¹⁹ Greater diversity emerged at the neighborhood level as well. By 2000, all of Seattle’s neighborhoods included at last 10 percent nonwhite residents, shown in the table below.

Non-white population in Seattle Neighborhoods						
Neighborhood	1960	1970	1980	1990	2000	Percent Change
Broadview-Carkeek	0.6%	1.5%	6.5%	14.1%	22.7%	22.1%
Lake City-Haller Lake	0.6%	2.5%	9.7%	18.8%	27.6%	27.0%
Ballard	0.4%	2.1%	7.0%	9.3%	12.4%	12.0%
Green Lake-Wallingford	1.1%	3.9%	8.7%	11.3%	14.6%	13.5%
University-Ravenna	1.7%	4.2%	12.1%	16.5%	20.1%	18.4%
Magnolia	1.9%	3.2%	7.6%	10.8%	14.4%	12.5%
Queen Anne	1.0%	3.4%	6.5%	8.5%	12.3%	11.3%
Capitol Hill-Madison	5.0%	9.6%	11.4%	11.1%	12.6%	7.6%
Downtown	15.7%	18.2%	27.3%	32.7%	36.9%	21.2%
Garfield-Madrona	46.8%	52.0%	49.5%	45.5%	40.8%	-6.0%
Alki-Admiral	0.8%	2.0%	7.9%	9.9%	15.2%	14.4%
Beacon-Rainier Valley	15.1%	36.0%	58.4%	67.2%	69.1%	54.0%
Fauntleroy-Highland Park	0.3%	5.9%	15.0%	26.2%	37.3%	37.0%
Rainier Beach	7.9%	23.5%	54.5%	69.3%	78.9%	71.0%

Source: Davis, Kate. “Housing Segregation in Seattle.” 2005. Seattle Human Rights Department, 1976, Geolytics, 2000.

¹⁶ Davis, Kate. “Housing Segregation in Seattle.” Seattle: 2005. p. 22.

¹⁷ Ibid, p. 19.

¹⁸ Ibid, pp. 8-9.

¹⁹ Ibid, p. 17.

While Seattle's overall population and its neighborhoods have become more diverse since the 1960s due to changed public policies and population growth, the economics of the private market, particularly for housing, are becoming a significant force that limits housing choices in Seattle. The continuation of this trend has negatively impacted low-income residents, who are disproportionately racial minorities. Many of these residents have had to look to outlying areas beyond Seattle's city limits in order to find affordable housing.

Davis' study, analyzing 2000 data, found a negative correlation between housing costs and the proportion of non-white residents in Seattle neighborhoods. Rising housing costs tended to be in census tracts with a higher percentage of white residents.²⁰ This can create a barrier to minorities, who, on average, earn less than whites, as discussed in previous sections of this report. For rental units, Davis found that areas in which half of the rental units are affordable to low-income families generally had higher concentrations of minority residents than non-affordable areas and were primarily in either South Seattle or outside Seattle city limits in South King County.²¹ On the homeownership side, Davis found only seven census tracts in which median home owner costs were affordable to moderate-income households in 2000 and they were in South Beacon Hill; these were also tracts with high concentrations of minorities.²²

These changes have been particularly sharp in the Central Area, where rents rose from 73 to 83 percent of the county average between 1980 and 2000 and home values rose from 63 to 73 percent of the county average. During the same time period, the neighborhood's African-American population decreased 36 percent.²³

More recent data from the U.S. Census indicates some changes in housing tenure by race and ethnicity. The table below shows a slight increase in the share of white households in owner-occupied housing units, from 81.6 percent to 81.7 percent. White households saw a decline in their share of renter-occupied units, from 72.2 to 71.0 percent.

Among racial minorities, African-American households saw a decline in both their share of owner-occupied and renter-occupied units from 5.5 to 4.5 percent, and from 8.9 to 8.6 percent, respectively. American Indian and Alaska Native households saw a small decline in share of owner-occupied units (0.5 to 0.3 percent) and an increase in share of renter-occupied units (1.3 to 1.9 percent). Asian households expanded in share of owner-occupied units (9.6 to 10.4 percent) and declined in share of renter-occupied units.

Change in Housing Tenure by Race and Ethnicity				
	Owner-Occupied		Renter-Occupied	
	2000	2006	2000	2006
One race --				
White	81.58%	81.70%	72.23%	71.00%
Black or African American	5.47%	4.50%	8.94%	8.60%
American Indian and Alaska Native	0.46%	0.30%	1.26%	1.90%
Asian	9.62%	10.40%	10.48%	10.30%
Native Hawaiian and Other Pacific Islander	0.17%	N	0.41%	N
Some other race	0.72%	0.90%	2.43%	3.60%
Two or more races	1.98%	1.90%	4.24%	4.40%

Source: U.S. Census 2000 SF3 Table H14 PUMS. U.S. Census, American Community Survey 2006, Table S2502.

²⁰ Ibid, p. 40.

²¹ Ibid, p. 42.

²² Ibid, p. 44.

²³ Ibid, p. 46.

Both the City of Seattle and the Seattle Housing Authority have instituted a number of programs and policies to ensure housing affordability and preservation of housing choice, such as scattered site housing policies, development of mixed-income communities, and Housing Investment Areas, all of which are further described in section 5. However, these public initiatives, to date, appear to be inadequate to respond to the sheer scale of need and fully stave private market forces that are rendering housing less and less affordable and indirectly propelling a “re-segregation” of Seattle. Further, the shortage of public resources is exacerbated by shrinking federal funding.

4. Identification of Impediments

The U.S. Department of Housing and Urban Development (HUD) defines impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices.
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

This section analyzes specific areas of impediments to fair housing choice in Seattle and is organized into two sub-sections: Private Sector and Public Sector.

a. Private Sector

Summary of Section

The following section includes analysis of four areas of private sector activity related to potential housing discrimination in Seattle: complaints from fair housing agencies; trends in housing lending; discriminatory language in rental advertisements; and the impact of the current mortgage crisis on protected classes in Seattle.

The analysis identified the following private sector impediments:

- Continued incidents of housing discrimination, particularly based on race, disability and family status and in geographic areas of North and Central Seattle.
- Disproportionately greater loan denial rates among minority and low-income applicants.
- Subtle forms of preferential advertising for housing in some local media sources.
- Continued challenge of under-reporting of potential housing discrimination.
- Potentially significant impact on protected classes of the current subprime mortgage crisis including: greater vulnerability to foreclosures, increased difficulty of obtaining home loans, a tighter and less affordable rental housing market, and potential decline in home values and spillover effects in low-income areas.

i. Fair Housing Complaints

Background on Fair Housing Complaint Process. As noted earlier in Section 2, a resident of Seattle may file housing discrimination complaints with several agencies. “Administrative” agencies include the U.S. Department of Housing and Urban Development’s (HUD) Region X office, and several local agencies that have been certified as “substantially equivalent” agencies. These include the Seattle Office for Civil Rights (SOCR) and the Washington State Human Rights Commission (WSHRC). Both of these jurisdictions’ fair housing laws protect additional classes beyond those covered by federal law, as shown in the table in Section 2. In addition to “administrative” agencies, the Fair Housing Center of Washington, a fair housing advocacy organization, can also conduct preliminary investigations of complaint claims.

Among the three administrative agencies, complaints filed with U.S. HUD are also usually dual-filed with SOCR. Likewise, complaints filed with SOCR are dual-filed with U.S. HUD when the

basis of the complaint is federally protected class. In both cases, SOCR investigates the complaint in cooperation with HUD. When a resident of Seattle files a complaint directly with WSHRC, the agency also dual-files with HUD if the basis of complaint is covered by federal law, and is required to investigate the complaint because their jurisdiction is all of Washington state. The section below includes analysis of complaint data from SOCR, WSHRC and U.S. HUD. To avoid double-counting, the HUD section includes only complaints filed with HUD that were not dual-filed with SOCR.²⁴

After a complaint is filed, the investigating agency frequently encourages the parties to engage in negotiations to resolve the complaint through conciliation or a settlement prior to determination of cause. If this cannot be achieved, the agency moves forward with determining a finding as to whether or not a violation of fair housing law has taken place. Some complaints result in a “no cause” finding because due to inadequate evidence. When a “cause” finding is determined, the case may be given an administrative or court hearing.²⁵

It should also be noted that current fair housing laws place responsibility for taking action against discrimination on the victims themselves. People who have experienced potential housing discrimination must a) recognize that discrimination has occurred, and b) choose to voice the complaint. Some protected classes, especially those with linguistic- and/or cultural barriers, those who lack knowledge about fair housing laws or the complaint process, those who fear retaliation, or those who do not believe taking action will resolve their situations, could find it challenging to make the complaint. A study by the Urban Institute found that 83 percent of individuals who had experienced housing discrimination did not take action.²⁶ Given these factors, it is generally recognized that under-reporting of housing discrimination occurs.

SOCR COMPLAINTS

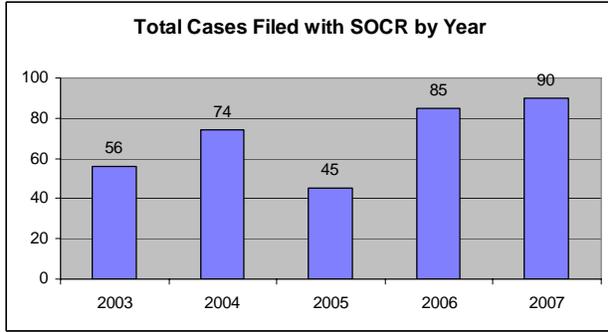
The Seattle Office for Civil Rights (SOCR) enforces Seattle fair housing laws that protect classes covered by federal laws as well as several additional classes. These include marital status, age, sexual orientation, creed, Section 8 recipient status, ancestry and political ideology.

Among all housing discrimination complaints from residents of Seattle, the vast majority are filed with SOCR. For the five-year period from 2003 through the end of 2007, 350 complaints were filed with SOCR, an increase from the 296 filed in the previous five-year period, 1998 through the end of 2002. There was an increase in the number of cases filed every year except for a drop in 2005, shown in the chart below.

²⁴ U.S. Department of Housing and Urban Development (HUD) Region X Office; Seattle Office for Civil Rights.

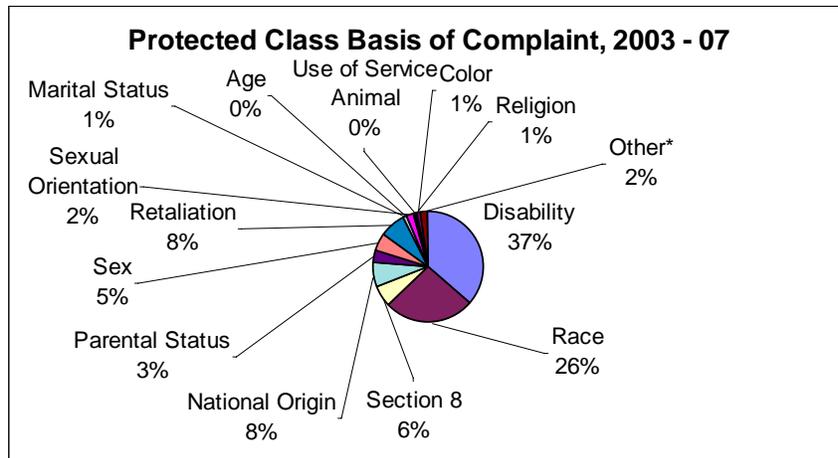
²⁵ City of Seattle & Fair Housing Center of South Puget Sound. *Analysis of Impediments to Fair Housing Choice in the City of Seattle*. Feb. 20, 2004.

²⁶ Abravanel, Martin and Mary K. Cunningham. “How Much Do We Know? Public Awareness of the Nation’s Fair Housing Laws.” The Urban Institute: April 1, 2000.



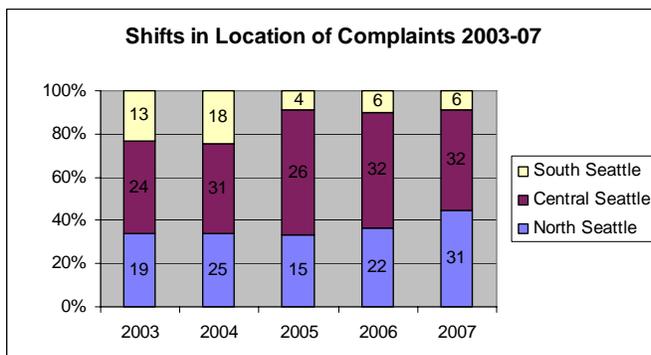
Source: Seattle Office for Civil Rights (SOCR)

The most prevalent bases for complaints were disability (158 cases, or 37 percent of all complaints) and race (33 cases, or 27 percent). Other bases included retaliation (8 percent), national origin (8 percent), Section 8 status (6 percent), and sex (5 percent).



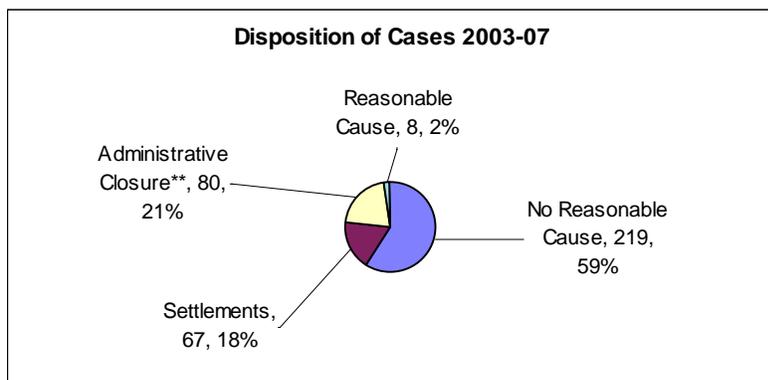
Source: Seattle Office for Civil Rights (SOCR)

From 2003 to 2007, the vast majority of complaints were located in either Central or North Seattle, with 48 percent (145 complaints) and 37 percent (112 complaints), respectively. Another 47 cases (15 percent) originated in South Seattle. As shown in the chart below, over the five-year period, there was a widening of the share of complaints from North and Central Seattle and a decrease in the share of complaints located in South Seattle.



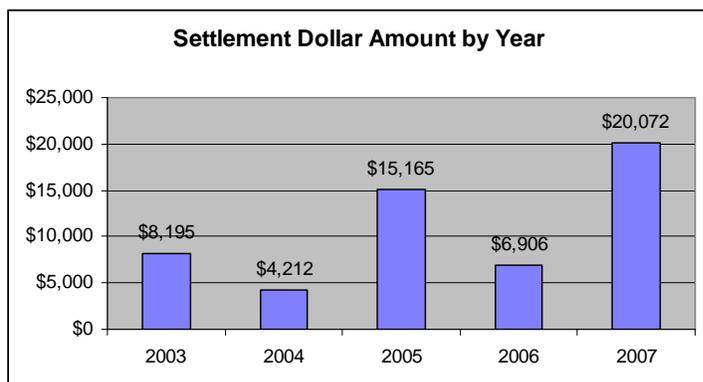
Source: Seattle Office for Civil Rights (SOCR)

Case disposition. A total of 219 cases, or 73 percent, were determined as having no reasonable cause. This compares with a no cause finding for 56 percent of cases from 1998 to 2002. Another 80 cases, 21 percent, resulted in administrative closure (which includes failure to locate, withdrawal, bankruptcy and failure to cooperate), 67 cases ended in settlements, and eight cases were found to have reasonable cause that did not end in settlements.



Source: Seattle Office for Civil Rights (SOCR)

Among the cases settled, the total settlement dollar amount was \$54,550. Yearly settlement amounts more than doubled from \$8,195 in 2003 to \$20,072 in 2007.



Source: Seattle Office for Civil Rights (SOCR)

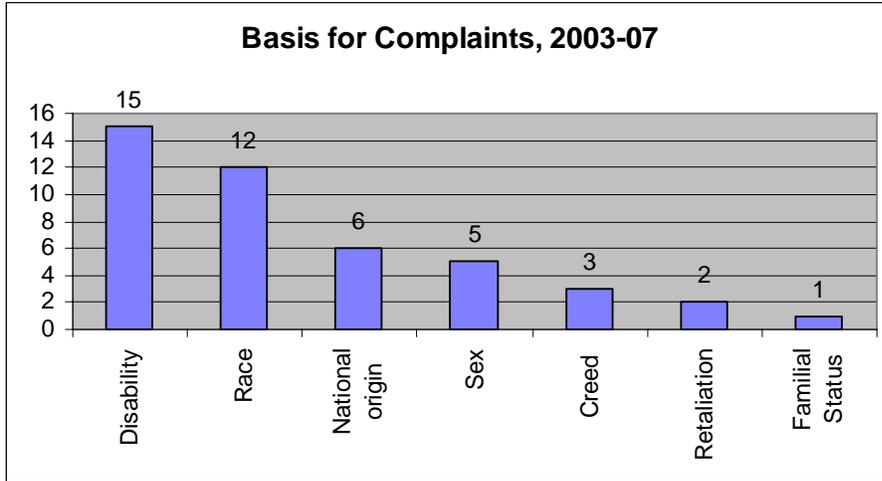
WSHRC COMPLAINTS

In addition to classes protected by federal laws, the Washington State Human Rights Commission (WSHRC) also investigates alleged discrimination based on marital status and creed.

Overall, WSHRC experienced a decline in the yearly average of complaints it received, from 76 for the four-year period 1999 through 2002 to 37 for the five-year period from 2003 through 2007. Of these 37, nine were filed in 2003, five in 2004, six in 2005, ten in 2006, and seven in 2007.

As with SOCR complaints, the most prevalent bases for complaints were disability and race, which accounted for 41 percent (15 cases) and 32 percent (12 cases) of all complaints, respectively. An additional six cases had a basis of national origin, five were based on sex,

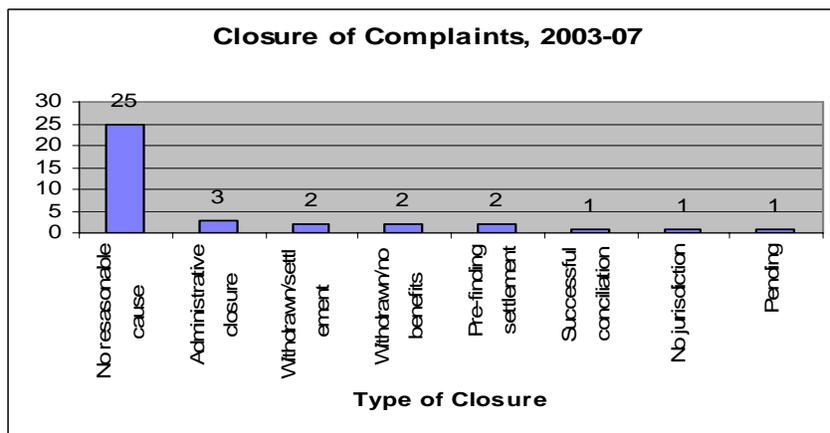
three were based on creed, two on retaliation, and one on familial status. In comparison, the top three bases for the cases filed from 1999 through 2002 were race, disability, and national origin.



Source: Washington State Human Rights Commission (WSHRC)

The most frequently cited issues for complaint were terms and conditions (65 percent or 24 cases); refusal to rent (43 percent or 16 cases); and reasonable accommodation (32 percent or 12 cases). Additional issues were false denial/representation of availability (3 cases), harassment (2 cases), intimidation (2 cases), eviction (2 cases), discriminatory advertising (1 case). Among the entities against which complaints were filed, 43 percent (16 cases) were apartments and 14 percent (5 cases) were the Seattle Housing Authority.

Case disposition. Most of the cases (25) were found to have no reasonable cause. Three were administratively closed, two were withdrawn with settlement, two were withdrawn with no benefits, two resulted in pre-finding settlement, one was successfully conciliated, one had no jurisdiction, and one is pending. Four cases had monetary results totaling \$7,804. Of these, two were pre-finding settlements, one emerged from successful conciliation and one was withdrawn with settlement.



Source: Washington State Human Rights Commission (WSHRC)

HUD-ONLY COMPLAINTS

The U.S. Department of Housing and Urban Development's (HUD) Region X office, based in Seattle, investigates complaints of housing discrimination based on federally designated protected classes. As noted earlier, the vast majority of complaints filed with HUD are also filed with SOCR; however, some complaints are not dual-filed and are investigated only by HUD. The following analysis of HUD complaints includes only the latter, so as not to duplicate cases already included in the previous analyses of SOCR and WSHRC.

From 2003 to 2007, 29 cases investigated by HUD were not dual-filed with WSHRC or SOCR. Of these, 26 were filed in 2003 and three were filed in 2007. Family status was the prevalent basis for complaint, emerging in 24 of the 29 cases. Disability was a basis for four complaints and race was a basis for three cases.

Several complaint issues occurred frequently in the cases, most typically in combination. These included discrimination in terms/conditions/privileges (27 cases), refusal to rent (24 cases), statements and notices (24 cases), and steering²⁷ (24 cases). All family status complaints had these four issues in combination.

The most frequent neighborhoods for complaints were Magnolia, Queen Anne, Southwest Seattle, and Ballard/Fremont, which had four, four, three and two complaints, respectively. There was one complaint each in several other zip codes/neighborhoods: 98108 (South Beacon Hill), 98109 (North downtown/South Lake Union), 98106 (West Seattle), 98121 (Belltown/North downtown), 98116 (NW Seattle), 98115 (University District and north), 98103 (Green Lake/Greenwood), 98178 (Renton/Skyway), 98168 (Tukwila/SeaTac), 98133 (North Seattle).

Thirteen complaints were successfully conciliated or settled, ten were withdrawn by the complainant without resolution, four had a no cause determination, one was withdrawn by the complainant without resolution, and one had failure to cooperate by the complainant.

ii. Lending and Financing

Several federal agencies regulate banks for compliance with the Fair Housing Act, the Equal Credit Opportunity Act, and the Community Reinvestment Act (CRA). The agencies include the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), the Office of Comptroller of the Currency (OCC), the Federal Reserve System (FRS) and the National Credit Union Administration (NCUA).

The Federal Financial Institutions Examination Council (FFIEC) is a formal interagency body established in 1979 and empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the agencies listed above. The FFIEC also administers the testing and rating process for the CRA.²⁸ The data in the following sections draw on FFIEC lending data.

²⁷ "Steering" is generally defined as the illegal practice of using words or actions to influence the choice of or steer a prospective tenant or homebuyer to particular neighborhoods based on a desire to keep or change the racial or ethnic composition of that neighborhood.

²⁸ Federal Financial Institutions Examination Council website. Jan. 2008.

COMMUNITY REINVESTMENT ACT BANK RATINGS

The United States Congress enacted the Community Reinvestment Act (CRA) in 1977. The CRA is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations.

The CRA requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically and taken into account in considering an institution's application for deposit facilities, including mergers and acquisitions. CRA examinations are conducted by the federal agencies noted above (the FRB, FDIC, OCC and OTS).²⁹

The table below is a selection of banks located in Seattle for which CRA rating information was readily available. The vast majority had satisfactory or outstanding CRA ratings, with three exceptions: two that were rated "need to improve" and one that was rated with "substantial noncompliance."

²⁹ Ibid.

Community Reinvestment Act (CRA) Bank Ratings for Selected Seattle Depository Institutions, 2007				
Bank Name	Agency	Exam Date	CRA Rating	Asset Size (x 1,000)
Asia-Europe Americas Bank	FDIC	10/1/2004	Satisfactory	\$136,345
Continental Savings Bank	FDIC	5/1/1999	Outstanding	\$1,136,350
Continental Savings Bank	OTS	6/3/1996	Outstanding	\$566,744
Evergreen Bank	FDIC	3/1/2005	Satisfactory	\$199,830
Family S & LA	OTS	11/19/1990	Needs to Improve	\$103,445
First Interstate Bank of Washington, N.A.	OCC	11/1/1994	Satisfactory	\$4,518,157
First Sound Bank	FDIC	9/1/2006	Satisfactory	\$124,158
Fremont First National Bank	OCC	11/1/2006	Satisfactory	\$19,637
Homestreet Bank	FDIC	7/1/2007	Outstanding	\$2,412,176
Key Bank of Puget Sound	FDIC	8/27/1990	Outstanding	\$1,282,000
Metropolitan FS & LA of Seattle	OTS	1/21/1992	Satisfactory	\$351,960
Metropolitan FS & LA of Seattle	OTS	11/1/1994	Satisfactory	\$618,029
Norstar Bank, N.A.	OCC	8/27/1998	Satisfactory	\$36,717
Northstar Bk	FRB	12/8/2003	Satisfactory	\$110,825
Northwest Business Bank	FDIC	9/1/2005	Satisfactory	\$150,813
Northwest International Bank	FDIC	12/1/2000	Satisfactory	\$36,538
Olympic Savings Bank	OTS	6/17/1991	Needs to Improve	\$194,260
Pacific First Bank, A FSB	OTS	7/8/1991	Outstanding	\$7,473,717
Pacific International Bank	FDIC	2/1/2004	Satisfactory	\$45,098
Pacific Northwest Bank	FDIC	2/6/2000	Satisfactory	\$425,020
Puget Sound Savings Bank	FDIC	4/14/1990	Outstanding	\$1,312,000
Puget Sound Savings Bank	FDIC	4/1/1993	Satisfactory	\$1,359,000
Regal Financial Bank	FDIC	8/1/2004	Satisfactory	\$77,758
Seattle FNB	OCC	1/31/1996	Outstanding	\$17,151,000
Seattle Savings Bank	FDIC	6/1/2002	Outstanding	\$137,932
Security Pacific Bank	OCC	1/21/1992	Satisfactory	\$7,019,243
Sound Community Bank	OTS	7/25/2005	Outstanding	\$180,393
The Commerce Bank of Washington, N.A.	OCC	4/5/2004	Satisfactory	\$706,659
The Emerald City Bank	FDIC	5/1/1992	Substantial Noncompliance	\$7,000
U.S. Bank of Washington, N.A.	OCC	4/8/2007	Outstanding	\$10,385,497
United S & LA	OTS	10/1/2001	Satisfactory	\$304,623
University Savings Bank	FDIC	5/1/1994	Outstanding	\$1,098,000
Viking Community Bank	FDIC	7/1/2003	Satisfactory	\$213,323
Washington First International Bank	FDIC	9/1/2003	Satisfactory	\$413,465
Washington First International Bank	FDIC	10/1/2006	Satisfactory	\$523,003
Washington FS & LA	OTS	4/26/2006	Satisfactory	\$8,307,967
Washington Mutual Bank	FDIC	3/1/2003	Satisfactory	\$27,468,000
Washington Mutual Savings Bank	FDIC	6/3/1993	Satisfactory	\$5,939,000
Washington Mutual, A FSB	OTS	2/6/1995	Outstanding	\$10,233,282
West One Bank, Washington	FDIC	3/1/1995	Outstanding	\$2,078,401

Source: Federal Financial Institutions Examination Council (FFIEC)

LENDING TRENDS

The Home Mortgage Disclosure Act (HMDA) is intended to prevent lending discrimination by requiring lending institutions to publicly disclose information about mortgage loan applications. In 1980, the FFIEC was given statutory responsibilities to facilitate public access to data that depository institutions must disclose under the HMDA and to aggregate annual HMDA data, by

census tract, for each metropolitan statistical area (MSA). The analysis of lending trends described below draws on HMDA data for the Seattle-Bellevue-Everett MSA.

It should be noted that analysis of loan denial data has limitations. HMDA data usually show that racial minorities are more likely to be denied funding than Caucasian applicants and this trend is frequently taken to be evidence of racial discrimination in mortgage lending. While this may be a part of the underlying reason for loan denial trends, there are also a range of other factors, including financial and economic, that are also considered in a loan application. As a result, it is difficult to conclusively determine whether loan denial disparities are a product of racial discrimination alone or due to standard lending criteria.³⁰

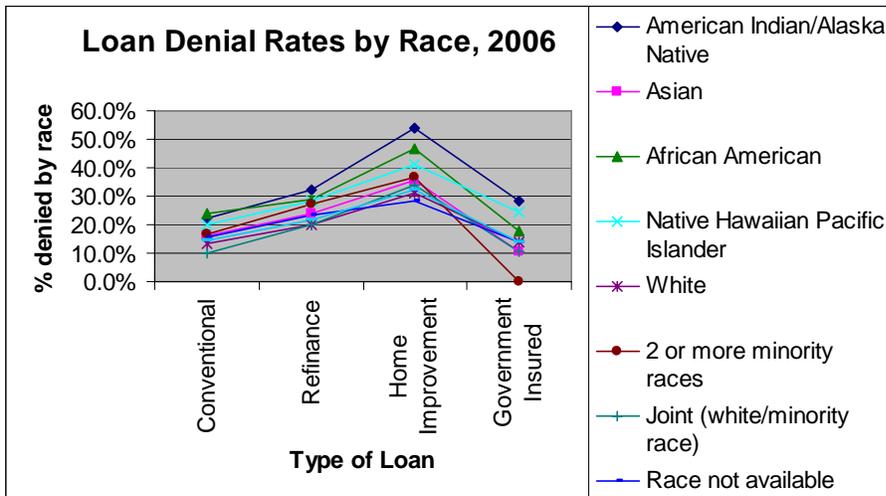
General Trends. FFIEC data is available for four types of residential loans: conventional, refinance, home improvement, and government insured loans. Across all four types of loans, home improvement loans had the highest denial rates overall, at 32.1 percent of all applications, while government insured loans had the lowest at 14 percent. Refinance loans experienced a 21.6 percent denial rate while 14 percent of conventional loans were denied.

Loan Denial Rates, 2006				
	Type of Loan			
	Conventional	Refinance	Home Improvement	Government Insured
Denial Rate for All Applications	14.3%	21.6%	32.1%	14.0%
Race				
American Indian/Alaska Native	22.4%	32.4%	53.9%	28.6%
Asian	16.2%	23.8%	35.8%	10.3%
African American	23.6%	29.1%	46.9%	17.6%
Native Hawaiian Pacific Islander	20.0%	28.4%	41.2%	24.2%
White	13.1%	20.0%	30.9%	13.7%
2 or more minority races	16.9%	27.1%	36.7%	0.0%
Joint (white/minority race)	10.0%	20.0%	33.7%	10.5%
Race not available	15.6%	23.5%	28.1%	14.0%
Ethnicity				
Hispanic or Latino	24.2%	29.7%	45.2%	22.7%
Not Hispanic or Latino	13.4%	21.1%	32.4%	12.9%
Joint (Hispanic/Latino/not)	12.3%	20.1%	33.3%	23.1%
Ethnicity not available	14.9%	22.0%	27.0%	17.0%
Income				
Less than 50% of MSA median	25.3%	35.3%	52.7%	27.8%
50-79% of median	16.4%	25.8%	40.3%	15.5%
80-99% of median	15.9%	22.4%	32.9%	15.9%
100-119% of median	13.9%	20.4%	30.8%	11.0%
120% or more of median	12.9%	18.9%	25.0%	6.9%
Income not available	13.7%	15.2%	35.2%	23.5%

Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006.

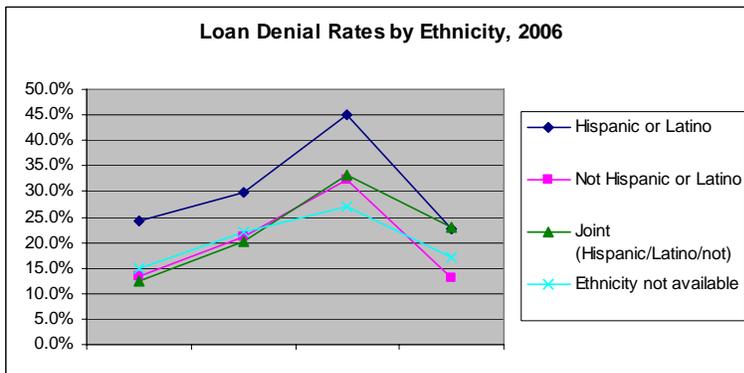
Race. Regardless of loan type, denial rates for white applicants were lower than that for American Indian/Alaska Natives, Asians, African Americans and Native Hawaiian Pacific Islanders. As shown in the chart below, conventional loans had the smallest disparities in denial rates across racial groups while home improvement loans and government insured loans had the greatest discrepancies among racial groups.

³⁰ Ibid.



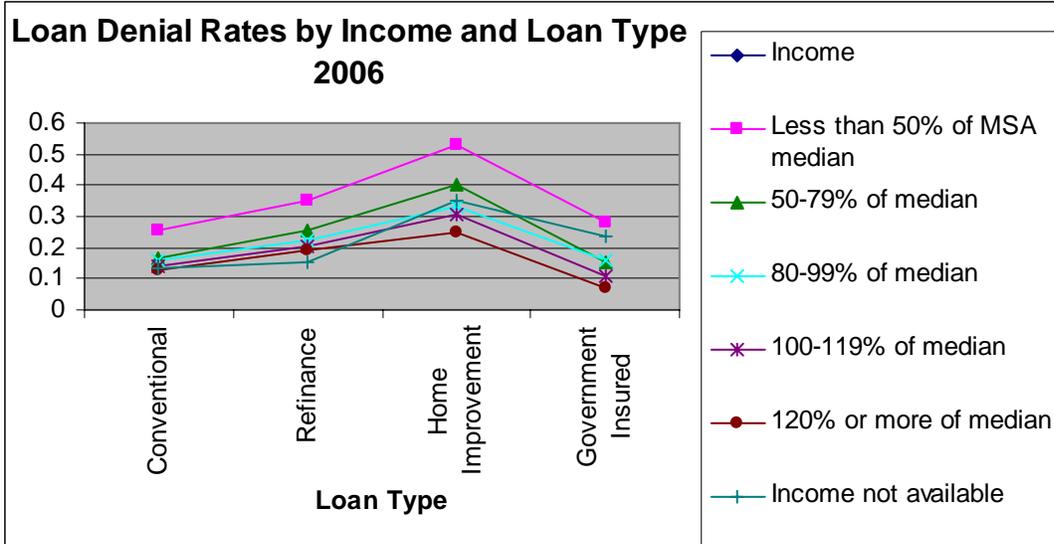
Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006.

Ethnicity. Applicants with Hispanic or Latino ethnicity had consistently higher denial rates than for non-Hispanic applicants for all four types of loans, with the greatest disparities in denial rates between the two occurring for home improvement loans.



Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006.

Income. Low-income applicants, especially those with less than 50 percent of MSA median income, had higher denial rates than higher income groups for all four types of loans. As with ethnicity and race, the greatest disparity in denial rates was for home improvement loans.



Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006.

FFIEC data also includes information about reasons for loan denials, summarized in the table below. The data is aggregated for all types of loans by race, and shown in terms of numbers of incidents and percentage share by race. Reasons for denial can include debt-to-income ratio, employment history, credit history, insufficient collateral, insufficient cash, unverifiable information, incomplete credit application, denied mortgage insurance, and “other.”

Overall, loans were most frequently denied due to credit history, debt-to-income ratio, and “other” reasons, which may reflect the hard-to-quantify nature of how loans are assessed and why denials occur.

By race, several observations stand out from the data, highlighted in gray. Asian applicants had a greater share of denials due to unverifiable information, incomplete credit applications, and “other” reasons, compared to other racial groups. Additionally, applicants who self-identified as belonging to two or more races had a higher share of denials due to debt-to-income ratios compared to other racial groups.

Reasons for Loan Denial by Race, Count of Incidents, 2006										
ALL LOANS	# Apps Denied	Debt-to-Income Ratio	Employment History	Credit History	Collateral	Insuff Cash	Unverifiable Information	Credit App Incomplete	Mortgage Insur Denied	Other
American Indian/Alaska Native	448	49	5	67	48	2	14	22	0	68
Asian	5,629	772	122	774	608	146	483	584	3	1,491
African American	3,183	356	27	523	233	81	181	188	4	570
Native Hawaiian Pacific Islander	905	98	11	135	75	33	43	62	0	169
White	31,294	3,482	543	4,561	3,115	636	1,922	2,892	11	6,221
2 or more minority races	97	13	2	17	10	2	4	6	0	19
Joint (white/minority race)	1,064	121	23	173	78	25	53	96	0	179
Race not available	9,747	1,073	97	1,588	1,001	198	529	1,023	15	2,052
Total	52,367	5,964	830	7,838	5,168	1,123	3,229	4,873	33	10,769

Reasons for Loan Denial by Race, % share, 2006										
ALL LOANS	# Apps Denied	Debt-to-Income Ratio	Employment History	Credit History	Collateral	Insuff Cash	Unverifiable Information	Credit App Incomplete	Mtg Insur Denied	Other
Race										
American Indian/Alaska Native	448	10.94%	1.12%	14.96%	10.71%	0.45%	3.13%	4.91%	0.00%	15.18%
Asian	5,629	13.71%	2.17%	13.75%	10.80%	2.59%	8.58%	10.37%	0.05%	26.49%
African American	3,183	11.18%	0.85%	16.43%	7.32%	2.54%	5.69%	5.91%	0.13%	17.91%
Native Hawaiian Pacific Islander	905	10.83%	1.22%	14.92%	8.29%	3.65%	4.75%	6.85%	0.00%	18.67%
White	31,294	11.13%	1.74%	14.57%	9.95%	2.03%	6.14%	9.24%	0.04%	19.88%
2 or more minority races	97	13.40%	2.06%	17.53%	10.31%	2.06%	4.12%	6.19%	0.00%	19.59%
Joint (white/minority race)	1,064	11.37%	2.16%	16.26%	7.33%	2.35%	4.98%	9.02%	0.00%	16.82%
Race not available	9,747	11.01%	1.00%	16.29%	10.27%	2.03%	5.43%	10.50%	0.15%	21.05%
Total	52,367									

Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006

Conventional Home Mortgage Loans. For conventional home mortgage loans, the denial rate for white applicants was 13.1 percent while that for African-Americans was 23.6 percent. Likewise, white applicants were denied disproportionately less than their share of all conventional home loan applications (64.6 vs. 59.3 percent, respectively). Applicants from all racial minority groups had the opposite pattern: smaller share of total applications relative to share of denied applications. Similarly, by ethnicity, those with Hispanic or Latino ethnicity composed 6.2 percent of applications and 10.6 percent of denials, while non-Hispanic or non-Latinos represented 80.5 percent of applications and only 75.7 percent of denials. By income, similar to the general trend described previously, there was an inverse relationship between income and denial rates. Applicants below 50 percent of MSA median composed 2.6 percent of applications and 4.6 percent of denials while those over 120 percent of median made up 66.2 percent of applications and only 61 percent of denials.

Conventional Loans	% of Apps	% Apps Denied
Race		
American Indian/Alaska Native	0.3%	0.5%
Asian	14.7%	16.7%
African American	3.2%	5.4%
Native Hawaiian Pacific Islander	1.3%	1.8%
White	64.6%	59.3%
2 or more minority races	0.1%	0.2%
Joint (white/minority race)	2.5%	1.8%
Race not available	13.2%	14.4%
Total Applications		
Ethnicity		
Hispanic or Latino	6.2%	10.6%
Not Hispanic or Latino	80.5%	75.7%
Joint (Hispanic/Latino/not)	1.2%	1.1%
Ethnicity not available	12.1%	12.7%
Income of Applicants		
Less than 50% of MSA median	2.6%	4.6%
50-79% of median	12.5%	14.4%
80-99% of median	14.3%	15.9%
100-119% of median	13.7%	13.4%
120% or more of median	52.5%	47.6%
Income not available	4.4%	4.2%

Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006

Home Refinance Loans. For refinance loans, the denial rate for white applicants was 20 percent while that for American Indian/Alaska Natives was 32.4 percent. The pattern for refinance loans echoed that of conventional loans, with whites having a smaller share of denials relative to their share of total applications. All racial minority groups had the opposite trend, particularly African Americans, who comprised 6.3 percent of denials but only 4.7 percent of applications. Those with Hispanic or Latino ethnicity composed 3.8 percent of applications and 4.6 percent of denials, while non-Hispanic or non-Latinos represented 75.2 percent of applications and only 74.3 percent of denials. Applicants below 50 percent of MSA median composed 5.2 percent of applications and 8.5 percent of denials and those over 120 percent of median made up 42.5 percent of applications and only 37.3 percent of denials.

Refinance Loans	% of Apps	% Apps Denied
Race		
American Indian/Alaska Native	0.6%	0.8%
Asian	7.2%	7.9%
African American	4.7%	6.3%
Native Hawaiian Pacific Islander	1.3%	1.7%
White	63.8%	59.0%
2 or more minority races	0.1%	0.2%
Joint (white/minority race)	2.1%	2.0%
Race not available	20.3%	22.1%
Total Applications		
Ethnicity		
Hispanic or Latino	3.8%	5.2%
Not Hispanic or Latino	75.2%	73.4%
Joint (Hispanic/Latino/not)	1.2%	1.1%
Ethnicity not available	19.8%	20.3%
Income of Applicants		
Less than 50% of MSA median	5.2%	8.5%
50-79% of median	17.3%	20.7%
80-99% of median	16.5%	17.1%
100-119% of median	13.7%	13.0%
120% or more of median	42.5%	37.3%
Income not available	4.8%	3.4%

Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006

Home Improvement Loans. For home improvement loans, the denial rate for white applicants was 30.9 percent while that for American Indian/Alaska Natives was 53.9 percent. Again, whites held a smaller share of denials while minority applicants had a larger share relative to their share of all applications. Especially notable were African-American applicants, who made up 7 percent of denials vs. 4.8 percent of applications. Hispanic or Latino applicants had a similar pattern to that for conventional and refinance loans. Applicants below 50 percent of MSA median composed 6.8 percent of applications and 11.2 percent of denials; those over 120 percent of median made up 41.7 percent of applications and only 32.5 percent of denials.

Home Improvement Loans	% of Apps	% Apps Denied
Race		
American Indian/Alaska Native	1.2%	2.0%
Asian	7.0%	7.8%
African American	4.8%	7.0%
Native Hawaiian Pacific Islander	1.3%	1.7%
White	67.3%	64.8%
2 or more minority races	0.3%	0.3%
Joint (white/minority race)	3.0%	3.1%
Race not available	15.2%	13.3%
Total Applications		
Ethnicity		
Hispanic or Latino	4.2%	5.8%
Not Hispanic or Latino	78.8%	79.5%
Joint (Hispanic/Latino/not)	1.8%	1.8%
Ethnicity not available	15.2%	12.8%
Income of Applicants		
Less than 50% of MSA median	6.8%	11.2%
50-79% of median	19.0%	23.8%
80-99% of median	16.5%	16.9%
100-119% of median	14.5%	13.9%
120% or more of median	41.7%	32.5%
Income not available	1.5%	1.6%

Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006

Government Insured Loans. These loans, which have broader qualification criteria, generally had the lowest denial rates of all four loan types. However, the same pattern of disproportionately greater denials for racial minorities appeared here as well. For home improvement loans, the denial rate for white applicants was 13.7 percent while that for American Indian/Alaska Natives was 28.6 percent. By ethnicity, Hispanic or Latino applicants composed 4.9 percent of applications and 8 percent of denials. Applicants below 50 percent of MSA median composed 6.5 percent of applications and 12.9 percent of denials while those between 50 percent and 79 percent of median were 31.6 percent of applications and 34.9 percent of denials. Conversely, those over 120 percent of median made up 20.3 percent of applications and only 10 percent of denials.

Government Insured Loans	% of Apps	% Apps Denied
Race		
American Indian/Alaska Native	0.8%	1.6%
Asian	3.8%	2.8%
African American	4.2%	5.2%
Native Hawaiian Pacific Islander	1.9%	3.2%
White	76.6%	75.1%
2 or more minority races	0.0%	0.0%
Joint (white/minority race)	3.2%	2.4%
Race not available	9.6%	9.6%
Total Applications		
Ethnicity		
Hispanic or Latino	4.9%	8.0%
Not Hispanic or Latino	83.9%	77.5%
Joint (Hispanic/Latino/not)	2.2%	3.6%
Ethnicity not available	8.9%	10.8%
Income of Applicants		
Less than 50% of MSA median	6.5%	12.9%
50-79% of median	31.6%	34.9%
80-99% of median	24.3%	27.7%
100-119% of median	16.4%	12.9%
120% or more of median	20.3%	10.0%
Income not available	1.0%	1.6%

Source: Federal Financial Institutions Examination Council (FFIEC) HMDA Database, 2006

iii. Rental Ads

Fair housing laws include provisions related to advertising of available rental and sales housing. Specifically, laws prohibit any indication of any preference, limitation, or targeting of protected classes in housing advertising. For example, local media ads should not show preference for single adults or indicate lack of preference for families with children. This analysis reviewed several local sources of advertisements for housing in January 2008, including the following:

Source of Advertisement	Date/Timeframe	# of Listings Reviewed
Seattle Times/Post-Intelligencer Northwest Rentals Section	January 22, 2008	191
"Apartments for Rent" magazine	January 9-22, 2008 Issue	85
Craigslist	January 22, 2008	500
Seattle Weekly	January 16-22, 2008 Issue	15

Overall, few explicitly discriminatory statements appeared in these sources. The Northwest Rentals section of the Seattle Times/Post-Intelligencer included a fair housing explanatory note that accompanied the link to specific listings, which supports fair housing.

However, targeting language or imagery surfaced in more subtle, less explicit forms in two of the sources. The first instance involved numerous Craigslist ads describing characteristics of a specific type of desired renter. Examples include: “perfect for student”, “prefer tenant with day job....ideal set-up for a graduate student or bachelor/bachelorette”, “executive home...”, “well suited for a couple or single person who wants a home office...”, “...space would be great for professors at the UW or a couple.”, and “...perfect for a quiet non-smoking couple.” Given the unregulated nature of Craigslist, it is not surprising that it surfaced the greatest frequency of language non-affirming fair housing. At the same time, given the growing prevalence and usage of Craigslist as a space for advertising housing, this is an opportunity to explore options for encouraging more affirmative language in the advertising.

The second source of discriminatory advertising surfaced in “Apartments for Rent”, a multi-weekly publication that compiles housing advertising in the region. This analysis reviewed only Seattle advertisements. While no discriminatory or preferential language was found, a number of photo images accompanied ads that that could be construed to prefer renters with certain characteristics, specifically white, singles, male, and couples without children. Among the 85 Seattle listings reviewed in this publication, most prevalent were photos of singles, which appeared in 11 photos in eight ads. Images of Caucasian individuals were used in seven photos in seven ads. Couples without children were portrayed in two photos in two ads. A single male was portrayed in one photo.

iv. Foreclosures

BACKGROUND AND NATIONAL IMPACT

Subprime mortgages. Subprime mortgages have numerous characteristics that distinguish them from conventional mortgages. They typically have adjustable interest rates (ARMs), an initially low, fixed interest rate for a certain period of time that then becomes variable and underwriting standards that are usually more lax than for other loans. They may also come with prepayment penalties designed to deter rapid repayment and balloon payments that requires balance to be paid at the end of the term. Predatory lending practices, which often but not always, occur with subprime loans, can include the additional characteristics of: equity-stripping (lender provides financing based on value of a home rather than borrower’s ability to re-pay), bait and switch (lenders promise certain loan terms but adjust terms without full disclosure), loan flipping (lender repeatedly refinances loans, often at a higher interest rate) and packing (financing of excessive fees into the mortgage without full disclosure).³¹

Since 2006, the U.S. has been in the throes of a nationwide mortgage crisis centered on subprime loans. These mortgage products, which were usually offered as a temporary accommodation in anticipation of early sale of a property or expectation of future earnings growth, became more frequently offered as “credit repair” products in the run-up to the current crisis.³² Subprime mortgages made up the vast majority of these foreclosures. In 2003,

³¹ Washington State Department of Community, Trade and Economic Development. *Analysis of Impediments to Fair Housing Choice Update*. Oct. 31, 2007. p. 54.

³² *Ibid*, p. 52.

subprimes made up 8 percent of all mortgage originations; by 2006, this had increased to 28 percent.³³

Multiple parties in the housing finance industry played a part in breeding the conditions for the crisis. Arguably the most important factors were a relaxation of credit standards (accepting overly high debt-to-income ratios, shoddy appraisals) and lack of adequate underwriting (use of zero down payments, not asking for upfront verification) on the part of lenders. In some cases, predatory lending tactics were also employed.³⁴ As a result, homebuyers accepted tremendously overvalued loans while banking on future increased home values. When housing appreciation began decelerating, many homeowners found themselves paying mortgages they couldn't afford and for more than the home's value. The "house of cards collapsed" and the mortgage market began to melt down.³⁵

Home sales plummeted in almost every local market that had seen skyrocketing home prices during the boom years of 2001 to 2005, especially in California, Florida, Nevada and Arizona, where many sales had been fueled by speculative investors.³⁶ By the end of 2007, the U.S. had 2.2 million foreclosure filings, a 75 percent increase over 2006.³⁷ Among subprime mortgages, 15.6 percent were seriously delinquent and 19.6 percent were past due by late 2007.³⁸ Projections indicate that the surge of foreclosures has not slowed down yet and will continue well into 2008. At the end of 2007, U.S. foreclosure starts involving prime adjustable rate mortgages (ARMs) had increased 158 percent over the previous year and the bulk of the 'resets' on these are expected to peak later in 2008 and into 2010. An April 2008 report by the Pew Charitable Trusts estimates that 1 in 33 current U.S. homeowners may be headed for foreclosure over the next two years as a result of loans made in 2005 and 2006.³⁹

LOCAL IMPACTS

Market Impact

Washington state and the Seattle-King County area have not escaped the impacts of the national mortgage crisis; however, in general, the negative effects of it have not been felt as severely locally as in many other cities and states across the country.

At the end of 2007, Washington ranked 21st in the U.S. measured by the percent of households with foreclosure filings, which totaled 23,705 filings for the state. This represented 0.573 percent of all households, and a 28 percent increase from 2006.⁴⁰ The following two charts include delinquency and past due rates for Washington compared with the nation overall. Nationwide, 19.59 percent of subprime ARMs were 30 days past due and 15.6 percent were seriously delinquent; in Washington, these rates were 12.9 and 7.1 percent, respectively.⁴¹ Washington ranked 47th in delinquencies and 49th in foreclosures in the third quarter of 2007.⁴² The county

³³ Center for Responsible Lending. "A Snapshot of the Subprime Market." Nov. 27, 2007

³⁴ Washington State Task Force on Homeownership Security. *Final Report*. Dec. 21, 2007.

³⁵ CBS News. "House of Cards: The Mortgage Mess." Jan. 27, 2008. Rhodes, Elizabeth. "Winds of Change." *Seattle Times*. Dec. 30, 2007.

³⁶ Harvey, Kenneth R. "Let's hope 2008 won't be anything like 2007." *Seattle Times*.

³⁷ Fulmer, Melinda. "Foreclosures up 75% in 2007." MSN.com. Jan. 30, 2008.

³⁸ Washington State Task Force on Homeownership Security. *Final Report*. Dec. 21, 2007.

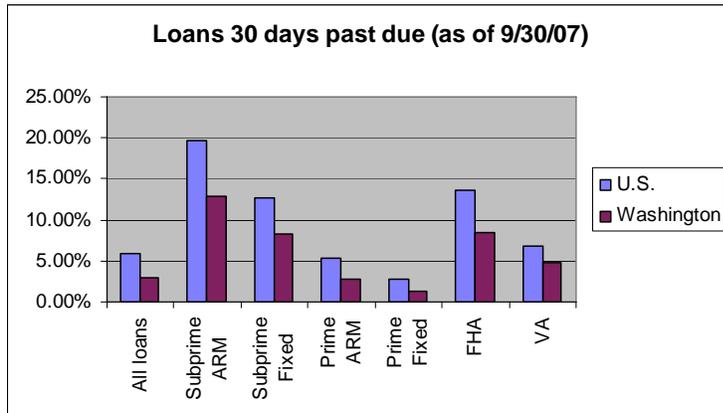
³⁹ The Pew Charitable Trusts. *Defaulting on the Dream: State Respond to America's Foreclosure Crisis*. April 2008. p. 11, 42.

⁴⁰ Fulmer, Melinda. "States ranked by foreclosure rates." MSN.com. Jan. 30, 2008.

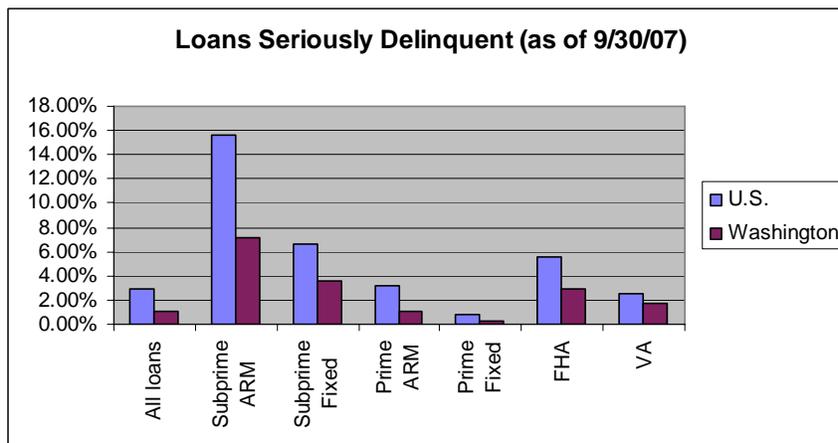
⁴¹ Washington State Task Force on Homeownership Security. *Final Report*. Dec. 21, 2007.

⁴² Cohen, Aubrey. "Housing market decline called likely to continue." *Seattle Post-Intelligencer*. Dec. 7, 2007.

and state rates of one foreclosure filing for every 1,033 and 1,072 households, respectively, remained much better than the national rate of one per 617 households.⁴³



Source: Washington State Task Force on Homeownership Security. Final Report. Dec. 21, 2007.



Source: Washington State Task Force on Homeownership Security. Final Report. Dec. 21, 2007.

Several market impacts have resulted from the foreclosure trends, including declines in construction, declines in numbers of home sales, increase in inventory and months supply of housing, dampening (though not bottoming out) of home price appreciation, increased demand in the rental market, and tightening credit requirements. The following paragraphs and charts provide additional details.

The table below shows market indicators for King County in the 3rd quarter of 2007 as compiled by the Washington State Center for Real Estate Research. It shows an 18 percent decline in home resales and a 13 percent decline in building permits from the previous year. The number of listings available for sale nearly doubled (49.2 percent) and the month’s supply of housing grew 3.9 percent overall. However, median resale price continued to grow in almost all Washington counties, though not as rapidly as in previous years; in King County, average home prices rose 9.1 percent from 2006 to 2007.⁴⁴

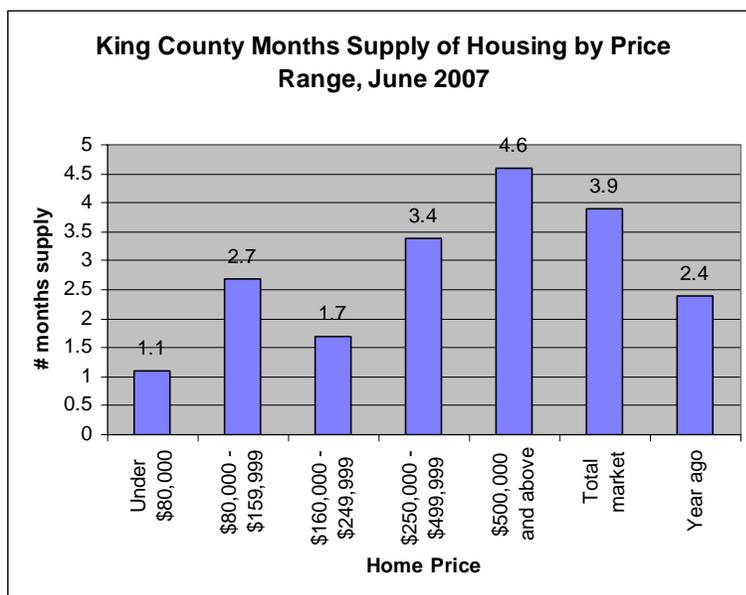
⁴³ Cohen, Aubrey. “More in county losing homes.” *Seattle Post-Intelligencer*. Dec. 18, 2007.

⁴⁴ Washington Center for Real Estate Research. “Housing Affordability Index Second Quarter 2007.” 2007. “Housing Market Snapshot Third Quarter 2007.” “Washington State’s Housing Market: A Supply/Demand Assessment.” Second Quarter 2007.

King County Indicators (Third Quarter 2007)	
Home Resales	
# units	29,260
% change last year	-18.0%
Building Permits	
# units	4,483
% change last year	-13.2%
Median resale price	
	\$472,000
% change last year	9.1%
Listings available for sale as of 6/30/07	
	8,569
% change last year	49.2%
Month's supply of housing (June 2007)	
Under \$80,000	1.1
\$80,000 - \$159,999	2.7
\$160,000 - \$249,999	1.7
\$250,000 - \$499,999	3.4
\$500,000 and above	4.6
Total market	3.9
Year ago	2.4

Source: Washington Center for Real Estate Research. "Housing Market Snapshot Third Quarter 2007." 2007.

Further, the month's supply of housing varied for homes of different values, with those of higher value seeing longer times for sales. In King County, homes valued over \$500,000 had the longest supply, at 4.6 months. Those valued below that had notably shorter months supply, with homes valued under \$80,000 at 1.1 months, those from \$80,000 to \$159,000 at 2.7 months, and those valued from \$160,000 to \$249,000 at 1.7 months.



Source: Washington Center for Real Estate Research. "Housing Market Snapshot Third Quarter 2007." 2007. "Washington State's Housing Market: A Supply/Demand Assessment." Second Quarter 2007.

Conditions in the local homeownership market have impacted the rental market, which, as noted previously in the "Housing Profile", is projected to continue experiencing rent increases. The new challenges in the homeownership market are expected to exacerbate the tightening rental

market as fewer renters make the leap to homeownership and, in some cases, previous owners of foreclosed homes shift into and swell the ranks of the renter pool. The tightening rental market bodes so brightly for developers that some are even “reverse converting” condominiums to apartments in response to the demand.⁴⁵

Another significant impact of the mortgage crisis has been the dwindling availability of loans to homebuyers, especially credit-impaired borrowers who previously might have applied for subprime loans. Many lenders are now applying rigorous criteria for loans, which will provide future stability in contrast to the excessive risks taken previously, are also creating additional challenges for prospective homebuyers.⁴⁶

Several reasons underlie Washington and Seattle’s relatively protected conditions during the mortgage crisis. The state has a comparatively small share of subprime loans (15 percent) compared with the country as a whole (20 percent). A strong regional job market that outpaces the national rate, and sees 30,000 to 40,000 people arriving to the area annually, creates “built in housing demand” that in turn fuels continuing home-price appreciation.⁴⁷ This allows homeowners unable to make loan payments to sell their homes for more than they owe.⁴⁸ Additionally, the region never got seriously overbuilt, especially due to speculative investing, at least in part due to state-mandated Growth Management Act, which has prevented developers from building as many new homes as they might have.⁴⁹

Impact on Protected Classes

Though there have been no studies looking specifically at the impacts of the subprime mortgage crisis on protected classes, a number of inferences can be drawn from the trends described in the previous section and studies documenting the disproportionate representation of racial minorities among subprime borrowers. The following section describes some of these potential impacts, which fall under both direct and market impacts.

Direct Impacts

Subprime loans can both impede and extend fair housing choice. On the one hand, subprime loans extend credit to borrowers who potentially could not otherwise finance housing. On the other hand, subprime loans are also disproportionately made to borrowers of color, resulting in greater exposure to default and foreclosure of those borrowers.⁵⁰ In the current subprime crisis, several studies have asserted that “communities of color will be especially harmed since...they receive a disproportionate share of subprime home loans.”⁵¹

⁴⁵ Rhodes, Elizabeth. “Winds of Change.” *Seattle Times*. Dec. 30, 2007. Lewis, Peter. “Seattle housing market should slow, not crash.” Puget Sound Business Journal. Dec. 28, 2007. Grind, Kirsten. “Rising Rents.” *Seattle Times*. Feb. 3, 2008. Grind, Kirsten. “Re-apartments’ blooming.” *Seattle Times*. Feb. 3, 2008.

⁴⁶ Rhodes, Elizabeth. “Winds of Change.” *Seattle Times*. Dec. 30, 2007.

⁴⁷ Ibid. Lewis, Peter. “Seattle housing market should slow, not crash.” Puget Sound Business Journal. Dec. 28, 2007.

⁴⁸ Cohen, Aubrey. “Not a lot of defaults on local mortgages.” *Seattle Post-Intelligencer*. June 15, 2007.

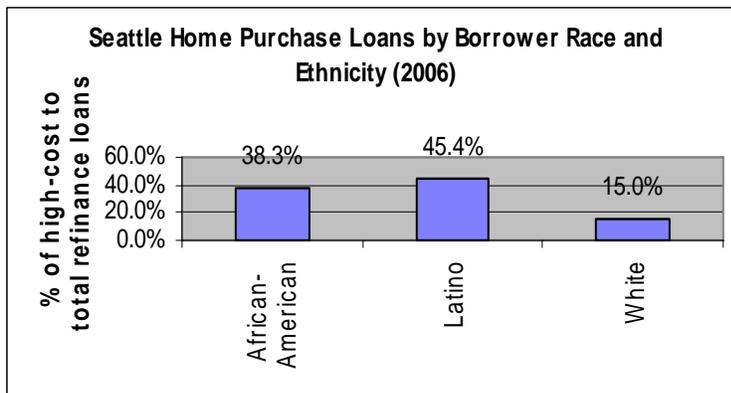
⁴⁹ “Seattle Area Foreclosures Increase 47 Percent in 2007.” PR Leap. Jan. 8, 2008. Lewis, Peter. “Seattle housing market should slow, not crash.” Puget Sound Business Journal. Dec. 28, 2007.

⁵⁰ Association of Community Organizations for Reform Now (ACORN). *Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities*. Sept. 5, 2007. Washington State Department of Community, Trade and Economic Development. *Analysis of Impediments to Fair Housing Choice Update*. Oct. 31, 2007. p. 54.

⁵¹ Center for Responsible Lending. “Subprime Spillover.” Jan. 18, 2008.

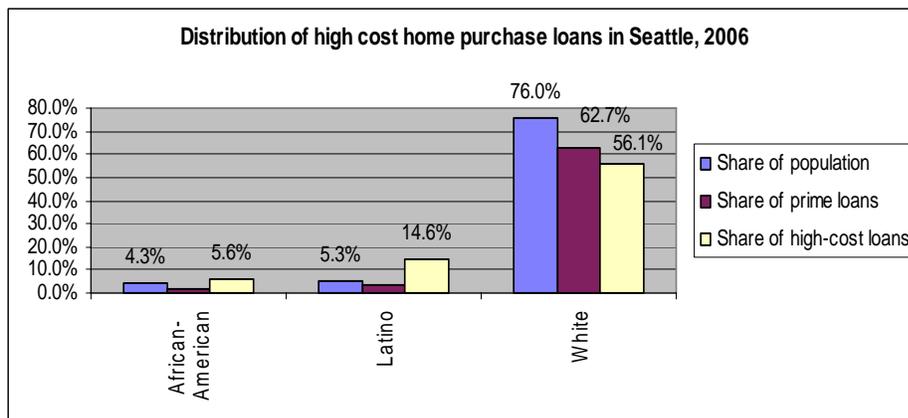
While no study exists that analyzes the direct impact in Seattle, the following data, extracted from a national study by ACORN, provides data on racial composition of high-cost loans⁵² borrowers in Seattle. This forms an initial basis from which to infer potential impacts of foreclosures on those borrowers.⁵³

The ACORN survey reports data for both refinance and home purchase loans using 2006 data. Racial minorities receive disproportionately greater shares of high-cost home purchase loans. Among all home purchase loans in Seattle, just over 16.4 percent were high-cost and among whites, 15 percent were high-cost. In contrast, among African-Americans and Latinos, the shares were 38.3 and 45.4 percent, respectively, as shown in the chart below.



Source: Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities. Sept. 5, 2007.

Similarly, the chart below relates share of population to share of prime and subprime loans by race. Racial minorities received a smaller share of prime loans and larger share of subprime loans relative to their share of total population, while the opposite was true for whites. Particularly notable were Latino borrowers, who represented 5.3 percent of the population in 2006, 3.5 percent of prime loans, and 14.6 percent of subprime loans.

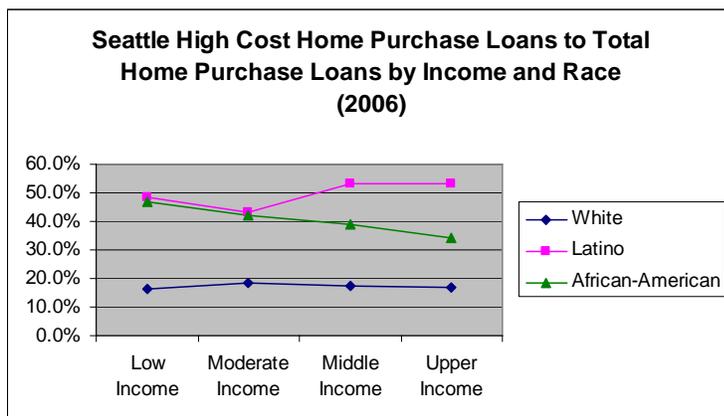


⁵² “High-cost loans” are generally defined as ones that have excessive fees and are frequently not aligned with a homeowner’s ability to repay the loan. The ACORN study provides the following specific definition of “high-cost loan”: “Loans originated with an annual percentage rate (APR) at least 3 points above the comparable rate on Treasury securities and as such were required to report under the Home Mortgage Disclosure Act the difference or ‘rate spread.’”

⁵³ Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure 2: The Costs to Our Cities and Neighborhood. Report for Seattle-Bellevue-Everett. Oct. 23, 2007.

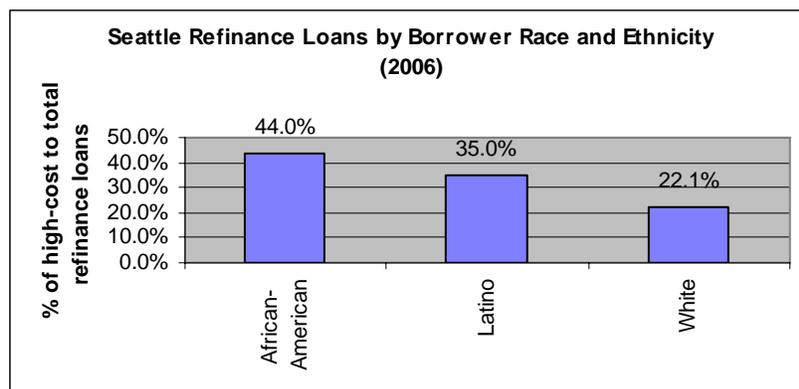
Source: Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities. Sept. 5, 2007.

ACORN's analysis also factored in income across races, and found that racial disparities persisted even among borrowers of the same income level, as shown in the chart below. Even as income increases, Latinos and African-Americans continue to have greater shares of high-cost home purchase loans than whites.



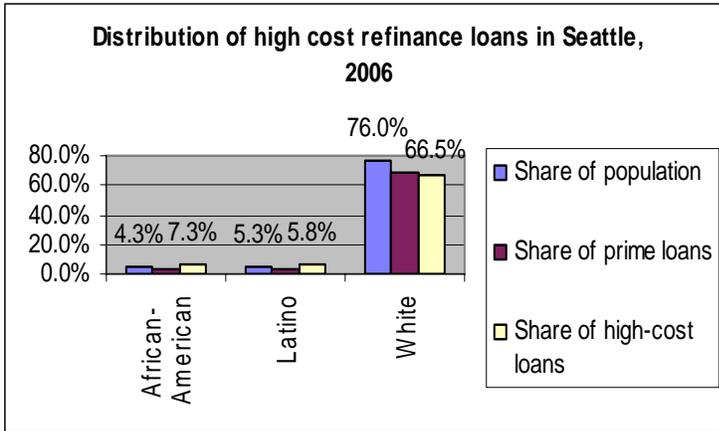
Source: Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities. Sept. 5, 2007.

High-cost refinance loans. The trend among high-cost refinance loans paralleled that for home purchase loans. In 2006 in Seattle, approximately 23 percent of all refinance loans were high-cost and among whites, 22 percent. In contrast, African-Americans and Latinos had 44 and 35 percent high-cost refinance loans.



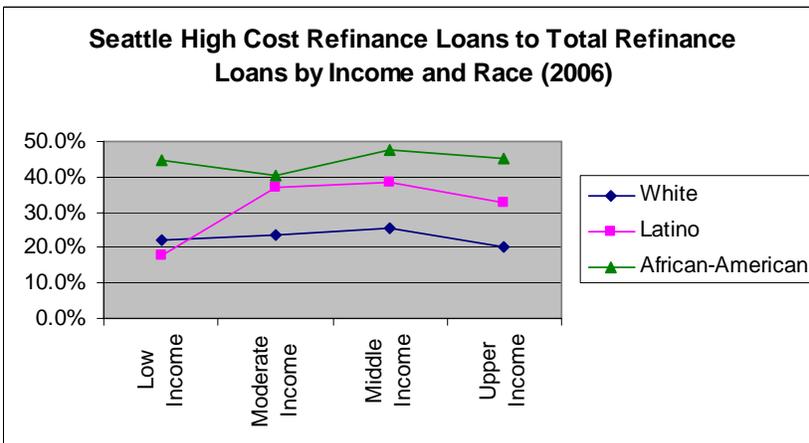
Source: Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities. Sept. 5, 2007.

As with home purchase loans, whites received a smaller share of high-cost refinance loans relative to their share of the total population. The opposite was true for African-Americans and Latinos, as shown in the chart below.



Source: Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities. Sept. 5, 2007.

Factoring in income level also resulted in the same conclusion as for home purchase loans: racial minorities still represented a disproportionate share of high-cost refinance loans. The one exception was among low-income Latino borrowers, who had a slightly smaller share of high-cost loans than whites.



Source: Association of Community Organizations for Reform Now (ACORN). Foreclosure Exposure: A study of racial and income disparities in home mortgage lending in 172 American cities. Sept. 5, 2007.

The data described above clearly show a disproportionate share of high-cost home loans among minority borrowers in Seattle. While this does not provide conclusive evidence, it provides a starting point for inferring the likelihood that Seattle's minority borrowers are also disproportionately being impacted by current foreclosure trends.

Additionally, the practice of lending sometimes called "predatory lending" is not included in this analysis, but it is often a sub-set of high-cost or subprime loans. The definition of predatory lending varies widely, but generally involves deceptive practices by a lender to convince borrowers to agree to unfair or abusive loan terms. Some studies have concluded that predatory lending disproportionately targets low-income, elderly and minority borrowers. Predatory lending merits further investigation as part of analyzing local impacts of the sub-prime mortgage crisis. Connected to predatory lending, differential credit scoring can also be a form of housing discrimination and merits further analysis.

Market Impacts

In addition to the direct impacts described in the last section, the mortgage crisis has resulted in a number of impacts on the Seattle housing market which are likely to significantly impact protected classes as well, given that they are disproportionately lower-income and renters. The impacts include several potentially negative ones.

- Increased difficulty of obtaining home loans. As described in the previous section, lenders have significantly ratcheted up their lending criteria, especially for subprime loans. This will likely exacerbate the challenge for low-income citizens, especially those from classes protected by fair housing laws, to become or stay homeowners. Those for whom subprime mortgages may be one of the few or only means of financing a home may be locked out altogether.
- Tighter rental market. As described in the previous section, the rental market has become tighter and projected to continue so into 2008. With a rental market historically made up disproportionately of low-income residents, this will have a significant impact on the ability of those renters to afford housing.
- Declining home values and potential spillover effects in underinvested neighborhoods. To the extent that low-income homeowners are more likely to be located in lower-priced and in some cases underinvested areas of the city, as described in the “Housing Profile” section, they may experience declining home values from neighboring foreclosed homes. A recent study by ACORN found that each additional foreclosure on a given block lowers surrounding home values an additional 0.9 percent. The “impact is even higher in lower-income neighborhoods, where each foreclosure dropped home values by an average of 1.4 percent.”⁵⁴ In a separate study, ACORN compiled the top 20 census tracts in King County with the largest number of high-cost loans and found that they are all in South King County (southeast of I-405 and I-90). Additionally, the top ten zip codes with the highest number of properties in foreclosure processes were in South Seattle and South King County. As described earlier in the “Housing Profile” section, these are all areas with significant minority residents.⁵⁵

There are also two potential positive impacts of the foreclosure trends.

- Softer buyer’s market. The availability of a larger inventory of homes and dampened price appreciation could make homeownership more accessible for low-income and members of protected classes facing housing challenges. However, the data also show continuing strong demand for affordable homes. The WCRER, in a 2007 report, highlights that “for first-time buyers, affordability still needs attention’ especially given tightening credit standards.”⁵⁶
- Increased resources for homebuyer education and financial counseling. In response to the mortgage crisis, Washington’s governor convened a Homeowner Security Task Force in 2007 that recommended a number of actions including allocation of state resources for increased education and counseling. During its 2008 session, the state legislature passed and the governor signed into law a number of bills that enact the task force’s recommendations, allocate resources, and provide additional oversight of lenders. Among these new laws are provisions to increase training and educational services to assist potential homebuyers, especially those from protected classes who may lack information and access to such

⁵⁴ Center for Responsible Lending. “Subprime Spillover.” Jan. 18, 2008.

⁵⁵ Association of Community Organizations for Reform Now (ACORN). *Home Insecurities: Foreclosures in King Neighborhoods*. June 2007. Association of Community Organizations for Reform Now (ACORN). *Foreclosure Exposure 2: The Costs to Our Cities and Neighborhood. Report for Seattle-Bellevue-Everett*. Oct. 23, 2007.

⁵⁶ Washington Center for Real Estate Research. “Fall 2007 Executive Summary.” 2007.

information in relation to the housing market. The content and status of the legislative bills and new laws is summarized in the table below.⁵⁷

Bill #	Bill Summary	Status as of 9/30/08
HB 2770	Additional disclosure, prohibits prepayment penalties within 60 days prior to initial reset of an ARM residential loan, prohibits negative amortization, prohibits steering to higher cost loans	Passed by legislature and signed by governor. Effective 6/12/08.
SB 6728	Same provisions as HB 2770, plus mandates one-page disclosure statement with all associated costs of loan	Passed to Senate Rules Committee for third reading.
SB 6381	Establishing that mortgage brokers have a fiduciary duty to borrowers (acting in borrowers' best interest, good faith, disclosure)	Passed by legislature and signed by governor. Effective 6/12/08.
SB 6272	Mandates state DFI to establish financial literacy/educ/counseling program and appropriates \$1.5 million to do so	Passed by legislature and signed by governor. Effective 2/11/08.
SB 6452	Requires additional disclosures on yield spread premiums	Passed to Senate Rules Committee for third reading.

b. Public Sector

Summary of Section

The following section examines two areas of public sector activity. First, range of public policies and procedures administered by the City of Seattle and the Seattle Housing Authority were analyzed for potential impediments to fair housing. Additionally, the section includes an analysis of the demographics of households served by selected City of Seattle Office of Housing and Seattle Housing Authority programs, and compared with citywide demographics.

The City of Seattle has been a leader in instituting a number of policies that promote fair housing. These include scattered siting policies to disperse extremely low-income subsidized rental housing, revitalization of distressed neighborhoods and general support of expanded housing choices through funding for affordable housing. Additionally, the Seattle Housing Authority (SHA) supports fair housing through affirmative fair housing marketing, applicant choice policies, and deconcentration of low-income housing units. More broadly, the City's Comprehensive Plan, land use code and several community development policies support fair housing by expanding housing choice, and revitalizing neighborhoods in balance with preserving affordability.

At the same time, the City's significant efforts may not be adequate to meet the challenges fueled by private market forces that have eroded affordability citywide and rendered some previously "underinvested" neighborhoods now on the verge of or already "tipping" toward displacement of existing low-income residents. Exacerbating this problem is the drastic gap between the scale of need for affordable housing and the level of public resources, including shrinking federal funding, available to address the problem.

⁵⁷ Washington State Legislature. House Bill 2770 Analysis. Jan. 22, 2008. Senate Bill 6272 Report. Jan. 18, 2008. Senate Bill 6381 Report. Jan. 25, 2008. Senate Bill 6452 Report. Jan. 25, 2008. Senate Bill 6728 Report. Jan. 22, 2008.

i. Public Policies

This section examines five sets of policies of the City of Seattle and the Seattle Housing Authority (SHA) that impact fair housing: City of Seattle affordable housing siting policies, SHA siting and tenant policies, City Comprehensive Plan policies, Seattle Land Use Regulations, and Community Revitalization policies.

CITY OF SEATTLE AFFORDABLE HOUSING SITING AND NOTIFICATION POLICIES

In the 1970s, much subsidized housing in Seattle had been sited in low-income minority communities in the Central and Southeast portions of the city. In 1976, the Seattle Human Rights Department found evidence of exclusionary zoning and other City policies that effectively segregated low-income households within the city. In response, beginning in 1978, the City actively encouraged siting of low-income housing outside distressed neighborhoods. By 1982, the City developed a more comprehensive set of housing policies for what were termed “Special Objectives Areas” or SOAs, which initially included Georgetown, Southwest Seattle, South Park, Columbia City, Southeast Seattle, the Central Area, Downtown, First Hill, Stevens, and the International District. SOAs were generally areas with relatively high concentrations of low-income housing. The policies favored rehabilitation of existing housing; in some of the SOAs, new construction of subsidized rental housing for certain populations (typically housing for low-income families) was prohibited.⁵⁸

In 2004, Seattle replaced SOAs with Housing Investment Areas (HIAs), areas characterized by low-incomes, low employment, disinvestment and higher than average crime rates. These areas included Rainier Valley and Beacon Hill, Delridge and Westwood, South Park, Bitter Lake and Aurora, Northgate, the Central Area, and the International District and Pioneer Square. The HIA policies identify unique opportunities to use certain kinds of housing funds particularly effective in assisting community revitalization efforts. They are not intended to require action on any specific project or proposal. However, unlike the SOA policies, no activity or proposal is excluded from consideration.

The City’s Office of Housing also manages the Seattle Housing Levy, whose policies also include several fair housing-related provisions. First approved in 1981 and continually renewed since then, in 1986, 1995, and 2002, the city’s current levy includes \$86 million to support production and preservation of affordable housing in Seattle. The levy encompasses several programs: Rental Preservation and Production, Homeownership, Neighborhood Housing Opportunity Program (NHOP), Rental Assistance and Operating and Maintenance.

The Office of Housing conditions funding with compliance with several policies, several of which further fair housing objectives.

- **Siting Policy.** Versions of that policy date back to the early 1980s, when concerns about concentration of subsidized rental housing in low-income neighborhoods came to the forefront. Today’s siting policy limits extremely low-income housing units (0-30 percent of AMI) to no more than 20 percent of total housing units in any given Census block group. The siting policy includes the following statement: “In accordance with national, state and local fair housing laws, OH disregards, in evaluating neighborhood support for the project, any opposition that appears to be based on characteristics of future residents of a project if discrimination based on such characteristics is prohibited.”

⁵⁸ Seattle Office of Management and Budget, *City of Seattle 1983 Housing Assistance Plan*, p. 56.

- Neighborhood Notification and Community Relations Guidelines Policy. This policy relates to siting of affordable housing and includes the following statement: “It is the policy of the City of Seattle that OH funding of affordable housing not be refused solely on the basis of concerns expressed by neighbors; the City supports and is committed to promoting diversity in Seattle neighborhoods. Consistent with State and Federal law, a housing project should not be excluded from a neighborhood solely based on any of the following characteristics of the persons who will live there: age, ancestry, color, creed, disability, gender identity, marital status, national origin, parental status, political ideology, race, religion, gender, sexual orientation, possession or use of a Section 8 certificate, or use of a guide or service animal by a person with a disability.”
- Affirmative Marketing: “Borrowers are required to affirmatively market vacant units. Borrowers must use marketing methods designed to reach persons from all segments of the community, including minorities, persons of color and persons with disabilities. In addition, owners are strongly encouraged to inform providers of emergency shelters and transitional housing about their projects and to promote access to households ready to move into permanent housing. Owners will be required to maintain records of their affirmative marketing efforts and to report annually to OH on those efforts. Borrowers of funding for transitional housing will be required to develop processes to assure that homeless individuals or families coming out of emergency shelters have equal access to transitional housing projects.”

SEATTLE HOUSING AUTHORITY SITING AND TENANT POLICIES

The Seattle Housing Authority (SHA) also adheres to policies to disperse the location of assisted housing so as to not concentrate poverty, in both its scattered site housing and public housing communities. For the latter, over the past 10 years, SHA has redeveloped three of its four major public housing communities in Seattle with federal HOPE VI funds (Holly Park, Rainier Vista, High Point) and is in the planning stages for the fourth (Yesler Terrace). These redevelopments also aim to deconcentrate poverty and improve quality of life for residents in the communities. Section 5, “Existing Programs and Activities that Promote Fair Housing”, provides additional information.

With regard to scattered site housing, SHA has operated more than 750 units of scattered site housing, of which 60 percent are north of Seattle’s Ship Canal and 4 percent are in Southeast Seattle. As noted previously, in the past three years, SHA has begun to sell off some of the scattered site housing to improve maintenance and cost efficiencies, mostly in north and west Seattle. While the selling of scattered site housing could act to impede fair housing, SHA is countering that effect by replacing 100 percent of the units it sells, including keeping 160 of its largest single-family houses to accommodate families with children and tenants with special needs in recognition of the shortage of those types of units in the city. SHA has also provided relocation counseling for all tenants of units approved for disposition. As of the end of 2007, SHA had sold 146 of 196 units identified for disposition and purchased a total of 108 replacement units, all of which are 2-bedrooms or larger and more than 60 percent of which are in north Seattle.⁵⁹

Occupancy policies and fair housing. In June 2000, SHA adopted an applicant choice policy with several goals that support fair housing choice. These include:

⁵⁹ City of Seattle. Consolidated Annual Performance and Evaluation Report (CAPER). March 31, 2008.

- Offer applicants ability to choose where they would like to live
- Maintain racial and ethnic diversity in communities and avoid conscious or inadvertent racial or ethnic steering
- Resist concentrating most disadvantaged applicants in least desirable locations.⁶⁰

Affirmative fair housing marketing. In 2005, began implementing an affirmative fair housing marketing policy. To achieve this goal, SHA monitors on a quarterly basis the racial distribution of heads of households in public housing high-rises. If any buildings are found to be racially-identifiable, affirmative fair housing marketing is conducted. SHA reports quarterly to the U.S. HUD on the results.⁶¹

CITY OF SEATTLE COMPREHENSIVE PLAN POLICIES

In addition to siting-related policies overseen by the City's two housing agencies, the City of Seattle also has broad policy objectives supporting fair housing that are part of the Seattle Comprehensive Plan. These include the following goals:

Housing Goal 2. Maintain housing affordability.

Housing Goal 5. Promote households with children.

Housing Goal 11. Strive for freedom of choice of housing type and neighborhood for all, regardless of race, color, age, gender, marital status, parental status, sexual orientation, political ideology, creed, religion, ancestry, national origin or the presence of any sensory, mental or physical disability.

Housing Policy 7. Recommends conducting periodic assessment of the effects of City policies and regulations on housing development costs and overall housing affordability, considering the balance between housing affordability and the other objectives such as environmental quality, urban design quality, maintenance of neighborhood character, and protection of public health, safety and welfare.⁶²

SEATTLE LAND USE REGULATIONS

A number of the City's land use regulations support fair housing, including parking requirements, provision of group homes, and allowance of non-traditional dwelling types that expand housing choice. These are discussed below.

Reduced parking requirements. In recent years, the City of Seattle has enacted reduced parking requirements for affordable housing developments and for certain areas of the city, which helps improve housing affordability. In October 2002, the Seattle City Council passed Ordinance 120953, which reduced parking requirements for affordable housing developments. Parking requirements for extremely low-income units (30 percent median income and below) with two or fewer bedrooms were reduced to 1 parking space per 3 units (instead of 2). Units with three or more bedrooms were required to have 1 parking space per unit. For units serving tenants between 30 and 50 percent of median income, 0.75 parking spaces per unit are required. Additionally, parking for residential units in Center City neighborhoods of downtown were 1 space per 2 units (for 3+ bedrooms) and 1 space per 3 units (2 or fewer bedrooms). If the units

⁶⁰ Seattle Housing Authority. *Moving to Work 2006 Annual Report*, pp. 13-14.

⁶¹ Ibid, p. 14.

⁶² City of Seattle. *Comprehensive Plan*. 2004.

serve tenants between 30 and 50 percent of median income, parking requirements are reduced.⁶³

Group homes. The Revised Code of Washington (RCW 70.128.010) defines a group home. “Adult family home means a regular family abode in which a person or persons provide personal care, special care, room and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.”⁶⁴ Additionally, a boarding home “...means any home or other institution, however named, which is advertised, announced or maintained for the express or implied purpose of providing board and domiciliary care to three or more aged persons not related by blood or marriage to the operator.”⁶⁵

Both types of group homes are protected under fair housing law (except group homes for persons with criminal histories). The Seattle Land Use Code (SMC 23.44.006) permits outright use of single-family homes for Adult Family Homes, as defined and licensed by the State of Washington. However, the code specifies that when the number of unrelated persons in a group home exceeds eight persons, the project owner must obtain a waiver from the Director of the City’s Department of Planning and Development (SMC 23.44.015) “Two situations present exceptions to this limit: 1) “...domestic violence shelters as defined in Chapter 23.84A, and 2) “...persons with handicaps as defined by federal law.”⁶⁶

Additional types of residential dwellings. Title 23 of Seattle’s municipal code permits the development of a number of types of dwelling units that have the effect of expanding housing choice. These include:

- Cottage and tandem housing on residential small lots (Chapter 23.43).
- Clustered housing planned developments in single-family residential zones “...which are intended to enhance and preserve natural features, encourage the construction of affordable housing, allow for development and design flexibility, and protect and prevent harm in environmentally critical areas (23.44.042).
- Accessory dwelling units (ADUs) on lots with a minimum 4,000 square feet (23.44.041).
- Residential-commercial including live-work units (Chapter 23.46).

COMMUNITY DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION POLICIES

This section examines three City policies that support community development and neighborhood revitalization broadly, and their potential impacts on fair housing. They include local implementation of the state-mandate Growth Management Act, Neighborhood Revitalization Strategy Areas (NRSA) and the Southeast Action Agenda (SEAA). Overall, the City’s approach to all three policies seeks to balance neighborhood and economic revitalization of underinvested areas with preservation of affordability and prevention of displacement. However, the City’s efforts to prevent displacement of low-income and minority communities may not be enough to fully counter the effects of very strong private market forces in recent years that have eroded affordability citywide.

Growth Management Act. In 1990, the Washington state legislature enacted the Growth Management Act (GMA), which aimed to reduce urban sprawl by concentrating growth in urban cores. Cities over a specific population threshold were required to establish an urban growth

⁶³ City of Seattle. *Land Use Code*.

⁶⁴ Revised Code of Washington (RCW) 70.128.010.

⁶⁵ Washington Administrative Code (WAC) 388-78A.

⁶⁶ Seattle Municipal Code (SMC) 23.44.006, 23.44.015.

boundary and to accommodate future job and residential growth within that area. The GMA also required cities to develop a housing plan that “makes adequate provisions for existing and projected needs of all economic segments of the community.”⁶⁷

Seattle’s approach to growth management has been to concentrate new growth in designated Urban Villages that include both employment centers and residential areas along with targeting mass transit investments to connect these centers. Whether or not growth management policies have improved or impeded housing affordability has been debated.

On the one hand, one of the outcomes of the GMA has been the development of a wider range of housing options throughout the city. All areas of Seattle have experienced an increase in the number and proportion of multi-family units, which increases choices for low-income households.⁶⁸ Additionally, as previously discussed in the analysis of foreclosures’ impacts, there has been some evidence that GMA’s rein on housing development, particularly speculative investment, helped protect Seattle from worse impacts of the mortgage crisis.

On the other hand, some researchers argue that GMA’s effect of fueling greater density artificially raises housing prices. Theo Eicher of the University of Washington released a report in early 2008 that examined the effect of land use regulations on housing prices and found that statewide land use restrictions in particular served to worsen affordability. He posits that between 1989 and 2006, the median inflation-adjusted price of a Seattle house rose from \$221,000 to \$447,800, with \$200,000 of that increase being the result of land-use regulations.⁶⁹

However, the conclusions posited by Eicher study are largely refuted by other academic research. A 2002 Brookings Institution paper concluded that “market demand, not land constraints, is the primary determinant of housing prices.”⁷⁰ The paper distinguishes between growth controls, which tend to be exclusionary and negatively impact supply of housing affordable to low- and moderate-income people, and growth management, which, “by contrast, seeks to preserve public goods, improve social equity, and minimize adverse impacts of development while still accommodating new housing and economic growth.”⁷¹

Neighborhood Revitalization Strategy Areas (NRSA). These policies, overseen by the City’s Office of Economic Development (OED), are a framework and tool for the use of federal Community Development Block Grant (CDBG) funds. The purpose of NRSA is to assist in revitalization of distressed areas; they are developed in response to U.S. HUD authorization. From 1999 to 2004, Seattle had NRSA designation for five neighborhoods. In a process of updating NRSA policies for 2005 to 2008, the City focused on renewing the policy for Southeast Seattle.

The current NRSA policies for Southeast Seattle express a clear intent to balance economic revitalization with preservation of affordability and prevention of displacement of current residents. The NRSA includes several goals that support fair housing through the preservation of housing affordability:

⁶⁷ Revised Code of Washington (RCW) 36.70A.070.

⁶⁸ Davis, Kate. *Housing Segregation in Seattle*. 2005. p. 72.

⁶⁹ Source: Rhodes, Elizabeth. “UW study: Rules add \$200,000 to Seattle house price.” *Seattle Times*. Feb. 14, 2008.

Eicher, Theo S. “Growth Management, Land Use Regulations and Housing Prices: Implications for Major Cities in Washington State.” University of Washington Economic Policy Research Center. Jan. 25, 2008.

⁷⁰ Nelson, Arthur C., Rolf Pendall, Casey J. Dawkins, and Gerrit Knapp, “The Link Between Growth Management and Housing Affordability: The Academic Evidence,” *Brookings Institution Center on Urban and Metropolitan Policy*, 2002, p. 1.

⁷¹ *Ibid*, p. 1.

- Support homeownership opportunities including for low-income residents.
- Encourage development of rental housing, especially in mixed-use projects.
- Ensure that housing for low-income renter households is kept affordable for the long-term.
- Prevent of displacement of low-income residents.

Southeast Action Agenda. . The Southeast Action Agenda (SEAA) is a broad vision for revitalization of Southeast Seattle that resulted from a City-led, community-driven process in 2005. As with the NRSA for Southeast Seattle, the SEAA also articulates a clear intent to balance economic revitalization with preservation of affordability and prevention of displacement of current residents. The following vision guides the SEAA:

Southeast Seattle is a vibrant community where: racial, cultural and economic diversity is embraced and preserved; immigrants are welcomed; all residents have access to economic and educational opportunities, housing, and cultural and recreational amenities; and the economic benefits generated by public and private investments are shared with current residents, businesses and community institutions.

One of the five key goals of the SEAA is to: “Promote housing, commercial, mixed-use and transit-oriented developments while preserving the unique characteristics of existing neighborhoods and their existing cultural, racial and economic diversity.”

Specific objectives articulated in the SEAA that assist fair housing include:

- Increase affordable housing options (by allowing cottage housing developments)
- Assist non-profit housing developers with a range of affordable projects
- Increased marketing of available housing assistance
- Support immigrant owned businesses
- Supports a range of youth and education, family programs, and employment.

ii. Analysis of OH/SHA Households

Overview and Data Limitations

The following section summarizes an analysis of demographic characteristics of households served by several programs of the Seattle Office of Housing and the Seattle Housing Authority. The intent of the analysis is to gain a broad sense of City housing agencies’ reach in serving low-income and underserved residents in relation to the demographic composition of Seattle overall. The findings should be understood as only a general comparison, as a number of caveats related to the data limit the conclusiveness of the results.

Data limitations include the following:

- Data are from different time periods. Seattle Housing Authority data is from the end of 2007. City HomeWise program data include all projects placed under contract from 2004 through 2007. City Homeownership program data includes indicators for all units in that portfolio as of February 25, 2008.
- Office of Housing data include information only for HomeWise (home repair and weatherization) and homeownership programs, so do not represent the full spectrum of residents served by Office of Housing funding.
- HomeWise data underestimate total HomeWise clients because households without project entry dates are excluded.

- SHA data on race integrates individuals with Hispanic ethnicity into claimed race, while the other data sources count individuals with Hispanic ethnicity as a separate category.
- SHA data on income and race are counted by households and other SHA demographic indicators are counted by individuals. In comparison, data for citywide demographics was drawn from the 2004 American Community Survey and includes counts of households for income and female heads of household and counts of individuals for all other indicators. Data from the homeownership and HomeWise programs are counted as households.
- Presence of minors/youth within households is measured differently among the data sources. HomeWise counts household members 6 years or younger, the Census data counts household members 5 years or younger, and SHA counts household members under 18 years of age.
- Not every data source had readily available data for every indicator. These are noted as “n/a” in the table summarizing findings below.

General Findings

The following paragraphs and accompanying table highlight findings.

Income. City housing agencies primarily serve extremely (0 to 30 percent of area median income) and very (31 to 50% percent AMI) low-income households. While 13.3 percent of Seattle’s population is extremely low-income, 85.6 percent of SHA’s households and 27.5 percent of HomeWise clients are below 30 percent of AMI. Also, both city programs serve a higher share of very low-income clients than the citywide share of 9.7 percent.

Race. All three housing agencies/programs have a smaller share of Caucasian households (45.6 percent, 63.3 percent and 35.9 percent respectively) than the citywide share of 70 percent. Conversely, all three agencies/programs have a disproportionately greater share of minority households than citywide. Of particular note, African-American households comprise 35 percent of SHA communities, and 12.2 and 17.2 percent of the homeownership and HomeWise programs, respectively, but only 8.2 percent of Seattle’s population.

Disability. SHA residents and HomeWise clients have a greater share of disabled participants/residents (28.1 percent and 21.9 percent, respectively) than that citywide (12.6 percent).

Female-headed households. HomeWise includes a greater share of female-headed households (16.3 percent) than citywide (7.3 percent).

Seniors. HomeWise clients included 37.9 percent elderly household member while the citywide population was comprised of 15.6 percent individuals over 60 years of age.

Demographic Characteristics of Households Served By City Housing Agencies				
	Seattle	SHA	Homeownership Program	HomeWise Program
INCOME				
0-30% AMI	13.3%	85.6%	3.8%	27.5%
31-50% AMI	9.7%	11.6%	17.2%	17.5%
51-80% AMI	16.1%	2.5%	77.7%	4.1%
RACE				
Caucasian	70.0%	45.6%	63.3%	35.9%
African-American	8.2%	35.0%	12.2%	17.2%
Asian Pacific Islander	13.0%	16.7%	14.4%	17.6%
Native American		2.6%	0.6%	1.8%
Hispanic	5.9%	n/a	3.8%	3.0%
Multi-race	4.3%	n/a	2.2%	17.1%
DISABILITY STATUS	12.6%	28.2%	n/a	21.9%
FEMALE HEAD OF HOUSEHOLD	7.3%	n/a	n/a	16.3%
ELDERLY HOUSEHOLD MEMBER	15.6%	18.3%	n/a	37.9%
MINOR HOUSEHOLD MEMBER	5.1%	32.2%	n/a	7.1%

Sources: Seattle Housing Authority Moving to Work Report 2007, City of Seattle Office of Housing, U.S. Census American Community Survey 2006.

5. Existing Programs and Activities that Further Fair Housing

Summary of Section

Seattle has a range of organizations and agencies whose programs and activities promote fair housing. These include City of Seattle departments (Office of Housing, Office for Civil Rights, Office of Economic Development, and the Seattle Housing Authority), state and federal government agencies (U.S. HUD regional office, U.S. Department of Justice, the Washington state legislature, Washington State Human Rights Commission, and Washington State Human Rights Commission), and local fair housing and legal assistance agencies and real estate professional organizations (Fair Housing Center of Washington, King County Dispute Resolution Center, Tenants Union, Northwest Justice Project, Columbia Legal Services, Rental Housing Association of Puget Sound, and the Seattle/King County Realtors' Association).

a. City of Seattle

OFFICE OF HOUSING

The Seattle Office of Housing (OH) is a lead agency in assisting fair housing in the city, particularly through its numerous funding and incentive programs that support development and preservation of affordable housing. OH's focus on affordable housing supports fair housing in several ways: a) by requiring deconcentration of low-income housing as part of funding conditions (as described in the "Public Policies" section, b) by ensuring housing choice for Seattle residents through support for production of affordable housing, and c) by prioritizing housing funding to directly support protected classes including seniors, families with children, Section 8 recipients, and the disabled. The section below summarizes OH's programs and accomplishments from 2004 to the present.

Housing Production and Assistance

OH manages a number of programs that provide affordable housing, particularly for populations particularly vulnerable to lack of housing affordability and housing discrimination. These residents include families with children, people with disabilities, the elderly, and the homeless. OH's diverse funding sources, including a citywide housing levy that was most recently renewed to operate through 2009, are combined to support the following housing programs:

- Rental Preservation and Production: supports the creation and preservation of affordable housing units and is a cornerstone program of the department
- Homebuyer Assistance: offers low-interest deferred loans to first-time homebuyers, through funds granted to non-profit partners to support homebuyer financing
- HomeWise: offers home energy audits, and financial and technical assistance for home weatherization and rehabilitation
- Neighborhood Housing Opportunity Program (NHOP): established in 2002 to encourage catalytic development in support of economic revitalization in underinvested communities in the Central Area, Southeast Seattle, and Delridge.
- Rental Assistance/Homeless Prevention: includes a short-term emergency rent assistance program and a rental stabilization program providing rent subsidies over 6 to 18 months combined with case management services for families transitioning from homelessness
- Foreclosure Prevention Program: established in 2008 and offering stabilization loans, pre-foreclosure counseling and repayment plans to assist low-income families in danger of losing their homes.

The table below summarizes investments and outcomes for the primary OH programs. Several elements stand out as particularly assistive to protected classes:

- An average of 430 low-income rental units funded annually, the bulk of which are for extremely low-income households.
- Over half of rental units funded annually are service-enriched housing to assist the homeless.
- Homebuyer assistance funds help between 50 and 70 families become homeowners every year.
- In 2007, over 500 families assisted with weatherization and energy conservation improvements.
- NHOP invests over \$1 million annually in neighborhood revitalization projects.
- An average of 700 households assisted with emergency rental assistance each year. The majority of these are families with children. In 2007, 602 households received assistance. Of these, 320 were families with children and the number of children totaled 625.

Seattle Office of Housing Accomplishments 2003-07				
	2004	2005	2006	2007
Rental Housing Production & Preservation				
Dollars awarded (millions)	\$17.80	\$16.50	\$17.90	\$20.20
# projects	11	11	8	7
# units	475	494	327	417
Income Level				
# units extremely low-income	279	255	281	305
# units very low-income	196	203	46	89
# units low-income	n/a	36	n/a	23
Unit Type				
Studios	198	270	n/a	230
1-BR	127	143	n/a	71
2-BR	91	62	n/a	56
3-BR	29	13	n/a	17
Group Homes	30	6	n/a	20
SRO	n/a	n/a	n/a	23
Population Served				
General Population	272	n/a	n/a	n/a
Multiple Special Needs	84	n/a	n/a	n/a
Developmentally Disabled	10	n/a	n/a	n/a
Chronic Mental Illness	24	n/a	n/a	n/a
Physically Disabled	23	n/a	n/a	n/a
Elderly	62	n/a	n/a	n/a
Service-Enriched Housing				
# total units funded	157	207	273	295
# units serving homeless adults	111	191	235	257
# units serving homeless families	46	16	38	38
Homebuyer Assistance				
# households assisted	51	78	48	131
Income Level				
<30% AMI	3	n/a	n/a	n/a
30-50% AMI	4	n/a	n/a	n/a
50-60% AMI	8	n/a	n/a	n/a
60-80% AMI	36	n/a	n/a	n/a
Household Size				
1-person	23	n/a	n/a	n/a
2-person	12	n/a	n/a	n/a

3-person	6	n/a	n/a	n/a
4-person	6	n/a	n/a	n/a
5-person	1	n/a	n/a	n/a
6-person	3	n/a	n/a	n/a
HomeWise				
Energy Conservation/Weatherization				
# buildings audited (apartments and single-family)	47	n/a	n/a	n/a
# units audited (apartments and single-family)	959	920	969	635
# weatherization/energy conservation loans	261	n/a	n/a	547
Rehab Loans				
# households assisted	46	47	41	41
Neighborhood Housing Opportunity Program (NHOP)				
\$ funded	n/a	\$1.03	\$1.03	\$2.06
Rental Assistance				
Emergency Rent Assistance				
# households assisted	n/a	815	688	602
# households assisted w/ children	n/a	n/a	413	320
# children total	n/a	n/a	906	625
Rental Stabilization Program				
# households assisted	n/a	115	78	48

Sources: OH Annual Reports 2004, 2005, 2006, 2007; Seattle CAPER 2005, 2006 and 2007 CAPER

Incentive Programs

In addition to funding direct production of affordable housing, OH also manages several programs that offer non-monetary incentives to promote the production of affordable housing. These include the following:

- **Downtown Transfer of Development Rights (TDR) Program:** Allows owners of sites with affordable housing units to sell development rights to market-rate developers who wish to achieve additional density. From 2004 to 2007, \$5,858,128 of TDR sale proceeds have helped preserve 517 affordable apartments for households with incomes up to 50 percent of median income.
- **Downtown Commercial Bonus Program:** Allows additional density for office and hotel developments located downtown in exchange for affordable housing and childcare for lower-wage workers. From 2004 to 2007, \$2,687,033 has been allocated for new production of 201 affordable apartments for households with incomes up to 30 percent, 50 percent and 80 percent of area median income.
- **Downtown Residential Bonus Program:** Adopted in 2006, this program allows additional residential gross floor area and height in developments located in downtown in exchange for affordable housing.
- **Multi-family Property Tax Exemption (MFTE):** Offers a 10-year tax exemption for the residential portion of affordable housing developments in the central/downtown portion of Seattle. In 2007, the MFTE program helped create 722 new units of housing of which 543 will be affordable to people earning up to \$50,000 annually.

SEATTLE OFFICE FOR CIVIL RIGHTS

In addition to OH, the Seattle Office for Civil Rights (SOCR) is the other lead City agency in promoting fair housing. SOCR promotes and protects fair housing rights in several major ways:

a) investigating housing discrimination complaints as a substantially equivalent agency of the U.S. Department of Housing and Urban Development (HUD), b) conducting periodic fair housing

testing, and c) providing ongoing education and outreach about fair housing to community members, housing providers, real estate professionals and others.

The “Impediments” section has described complaint cases investigated by SOCR in the past five years. The table below summarizes SOCR efforts on education and outreach about fair housing in the past two years. Several elements stand out:

- Major emphasis on reaching out to communities with limited English proficiency who, as described earlier, are particularly susceptible to both housing discrimination and lack of information about housing discrimination and how to report it
- Translation of educational materials in ten languages
- Trainings that reach a range of parties: community groups, housing providers and real estate professional groups
- Extensive media outreach and ad buys

Seattle Office for Civil Rights Accomplishments 2006-07			
	2005	2006	2007
Educational and Informational Materials Available			
# publications	n/a	12	12
# languages translated	10	10	10
Training for Housing Providers			
# trainings	20	10	12
# attendees	619	764	n/a
Training for Community Groups			
# trainings	5	10	21
# attendees	118	278	n/a
Outreach to ESL Communities			
# events	6	9	17
# attendees	2,572	1,400	n/a
Outreach via Community Events			
# events	6	16	20
# attendees	4,550	3,635	n/a
Media Outreach and Advertising			
# media outlets	9	14	16
# ads	56	64	129 plus 188 radio spots
Published Articles			
# articles	8	4	8

Source: 2005, 2006 and 2007 City of Seattle CAPER. Seattle Office for Civil Rights.

OFFICE OF ECONOMIC DEVELOPMENT

The Seattle Office of Economic Development (OED) plays a significant role in encouraging fair housing through its stewardship of city efforts toward economic revitalization and community development in historically underinvested and underserved neighborhoods. These revitalization efforts support deconcentration of poverty together with preservation of affordable housing. Specifically, OED a) provides loans and grants for small business development and real estate development, b) offers grants and technical assistance to Seattle’s community development corporations (CDCs) and c) leads the city’s work with the Rainier Valley Community Development Fund, a non-profit community financing entity serving Southeast Seattle.

The table below summarizes OED efforts in 2007.

Seattle Office of Economic Development Accomplishments 2007	
Economic & Real Estate Development	
Section 108 float loans	
# loans disbursed	3
\$ value of loans disbursed	\$8.80
# units housing	115
SF commercial space	61,000
jobs created	204
Neighborhood & Community Development	
CDC Support	
# CDCs assisted	6
\$ value invested in CDCs	0.86
# units housing	97
SF commercial space	21,500
Rainier Valley Community Development Fund (RVCDF)	
# businesses provided w/ grant assistance	73
\$ value payments to businesses	\$2.20
# community development loans disbursed	4
\$ value loans disbursed	\$2.50
# businesses provided w/ TA	16

Source: 2007 City of Seattle CAPER

SEATTLE HOUSING AUTHORITY

The Seattle Housing Authority (SHA) is a City-affiliated public corporation providing affordable housing to more than 26,000 low-income people in Seattle. SHA's portfolio includes over 5,200 subsidized public housing units, 1,000 units for seniors and people with disabilities and about 800 other locally-funded housing units. SHA also administers over 8,300 Housing Choice Vouchers. The low-income resident populations served by SHA encompass several protected classes, as described in the "Impediments section—families with children, elderly, racial minorities, and the disabled. SHA's executes several policies that serve to directly support fair housing, as described in the earlier section on "Public Policies."

Mentioned in previous sections is SHA's redevelopment of three of its four public housing communities over the last ten years as part of the federal HOPE VI program. This has been a major effort to deconcentrate poverty, improve quality of housing, lessen resident isolation, improve quality of life in the public housing communities, and provide a holistic and comprehensive approach to assist residents toward self-sufficiency. SHA successfully obtained over \$135 million in HOPE VI funds toward the redevelopment of High Point, Holly Park and Rainier Vista communities and Westwood Heights senior community. A summary of each is below:

- NewHolly: replaced 871 units with 1,414 new mixed-income housing units on-site (980 low- and moderate-income, 434 market-rate)
- Rainier Vista: replacing 481 units with approximately 850 units on-site (626 for low-income including elderly, 250 to 350 market-rate)
- High Point: 716 units are being replaced with 1,735 units on-site of which 755 for 80% below AMI
- Westwood Heights: 155 units of low-income senior housing refurbished and upgraded and 45 units of affordable family housing on-site.

The above redevelopments will also result in more than 750 off-site affordable housing units, many of which are in partnership with local non-profits and scattered throughout the city. SHA is currently in planning stages for redevelopment of Yesler Terrace, its fourth major public housing community in Seattle.⁷²

b. Federal, state and county governments

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

The U.S. HUD Regional Office in Seattle includes the Office of Fair Housing and Equal Opportunity (FHEO) which enforces fair housing laws and investigates housing discrimination complaints; conducts training, outreach and compliance monitoring; and works with state and local agencies to administer fair housing programs. HUD's Fair Housing Assistance Program (FHAP) awards grants to state and local government agencies to allow them to investigate Fair Housing Act complaints in their jurisdictions. In Washington, these agencies include the Washington State Human Rights Commission (WSHRC), the King County Office of Civil Rights (KCOCR), the Seattle Office for Civil Rights (SOCR), and the Tacoma Human Rights and Human Services Department (THRHSD). HUD's Fair Housing Initiatives Program (FHIP) awards grants to eligible organizations who agree to further fair housing through enforcement, testing and educational outreach. In Washington, these agencies include the Northwest Fair Housing Alliance and the Fair Housing Center of Washington.⁷³

U.S. DEPARTMENT OF JUSTICE

The Civil Rights Division of the U.S. Department of Justice (USDOJ) also enforces the Fair Housing Act. USDOJ may bring housing discrimination lawsuits where there is reason to believe that a person or entity is engaged in a "pattern or practice" of discrimination or where a denial of rights to a group of persons raises an issue of general public importance. USDOJ also brings cases where a housing discrimination complaint has been investigated by the Department of Housing and Urban Development, HUD has issued a charge of discrimination, and one of the parties to the case has "elected" to go to federal court. In cases involving discrimination in home mortgage loans or home improvement loans, the Department may file suit under both the Fair Housing Act and the Equal Credit Opportunity Act. USDOJ also conducts fair housing testing and over the past thirteen years has filed 79 pattern and practice cases with evidence directly generated from the fair housing testing program.

During the current presidential administration, the Housing and Civil Enforcement Section has initiated 252 new lawsuits in the areas of fair housing, fair lending and public accommodations, conducted a record high number of fair housing tests and filed four pattern or practice cases based on evidence developed through the testing program.⁷⁴

WASHINGTON STATE HUMAN RIGHTS COMMISSION

The Washington State Human Rights Commission (WSHRC) was established by the state legislature in 1949 and is certified as a fair housing substantially equivalent agency. As such, WSHRC provides fair housing information, investigates fair housing complaints, negotiates

⁷² Source: Seattle Housing Authority.

⁷³ U.S. Department of Housing and Urban Development (HUD) website.

⁷⁴ U.S. Department of Justice (USDOJ) website.

agreements and settlements, and makes determinations regarding allegations of discrimination. The “Impediments” section described the complaints investigated by WSHRC since 2003.⁷⁵

WASHINGTON STATE HOUSING FINANCE COMMISSION

The Washington State Housing Finance Commission (WSHFC) allocates bond and tax credit financing for the development of affordable housing throughout the state. WSHFC assists fair housing by tying fair housing compliance requirements to its financing. WSHFC also offers fair housing training for managers of funded projects and offers homebuyer classes. In 2007, WSHFC allocated tax credits to support development of 1,237 units of affordable housing, of which 282 were for homeless families, 168 were for large households, 145 were for seniors, and 225 were for disabled residents. Additionally, WSHFC’s HomeChoice and HouseKey Extra programs assist with down payments for disabled homebuyers. In 2007, these programs closed on 104 loans totaling \$1.3 million.⁷⁶

WASHINGTON STATE LEGISLATURE

The Washington state legislature is active in promoting affordable housing throughout the state. One particularly strong priority has been addressing homelessness. In 2004, the legislature created the Washington Families Fund (WFF) and in 2005 passed the Homeless Housing and Assistance Act (HB 2163). The Act provides \$12 million a year for homeless response and has two prongs: a) funding directly to counties for homeless programs and b) grants and technical assistance to local jurisdictions provided by the state Department of Community, Trade and Economic Development (CTED). Since its inception, the WFF has raised \$12 million for service-enriched housing.

In 2007 the state legislature added \$130 million to the state housing trust fund. In 2008, the governor proposed and the legislature approved expanding the state housing trust fund by another \$50 million. Additionally, in 2008, the state legislature and the governor formed a new “Rapid Response Land Acquisition Fund” for affordable housing and capitalized it with \$10 million, established a new “Nonprofit Equity Fund” and capitalized it with \$10 million, and committed more than \$10 million in operating subsidies to nonprofits and housing authorities serving homeless and homeowners in need.⁷⁷

Senate House Bill 2279, prohibiting discrimination against affordable housing developments, was passed by the legislature and signed into law by the governor, to be effective June 12, 2008. This new law prohibits local governments from imposing more burdensome regulations on affordable housing development projects than is the case for other housing development projects.

The legislature is also engaged in affordable housing promotion through its consideration of a number of bills. Highlights of current bills include:

- SB 5154 providing tax relief to promote affordable housing through sales and tax exemption on certain goods and services in construction of low-income housing
- SB 6724 creating a condominium liability insurance task force (recommendations due by end of 2008)

⁷⁵ Washington State Human Rights Commission website.

⁷⁶ Washington State Housing Finance Commission. “The Commitment Continues: Washington State’s Efforts to End Homelessness.” February 2008.

⁷⁷ Washington Low Income Housing Alliance. *2008 State Legislative Agenda*.

- Others-creating an affordable housing for all program (HB 2683), promoting affordable housing through comprehensive plans (HB 2576), use of bond proceeds for affordable housing (HB 2766), affordable housing financing (HB 2849), addressing affordable housing incentives (HB 3213), creation of an affordable housing rapid response loan program (SB 6712, EHB 3142).⁷⁸

c. Fair housing, legal services and other agencies

FAIR HOUSING CENTER OF WASHINGTON

The Fair Housing Center of Washington is the primary fair housing advocacy agency serving western Washington, and central Washington in coordination with the Northwest Fair Housing Alliance. The center provides intake and investigation of fair housing complaints, makes referrals to other service providers, assists with requests for reasonable accommodations or modifications, trains housing providers and consumers through education and outreach initiatives, conducts fair housing testing and consults on fair housing planning.

The Center was established in 1995 with a mission "to assure equal access to housing and other related services to the residents of Washington. The organization will achieve this purpose through education, investigation, and enforcement of applicable laws". Since its inception, the Center has filed 233 cases with U.S. HUD and the WSHRC.

The Center is the only non-profit entity conducting fair housing testing in western Washington with completion of 747 matched pair tests as of February 2005. It has also assisted with or completed fair housing Analyses of Impediments for the State of Washington, King and Pierce counties, Auburn, Bellingham, Bremerton, Kent, Seattle and Tacoma.⁷⁹

KING COUNTY DISPUTE RESOLUTION CENTER

The King County Dispute Resolution Center was founded in 1987 with a mission to "increase the use of mediation and peaceful conflict resolution skills in our communities." The Center offers information and referral, telephone conciliation, mediation, facilitation, a mediation practicum, presentations and conflict resolution training services in King County. With the support of eight staff and 160 active volunteers, the Center provides free services on an average of 3,600 cases per year. While the Center handles a range of dispute issues from neighborhoods disputes to workplace conflicts to family situations, it refers out cases of persons alleging housing discrimination.⁸⁰

THE TENANTS UNION

The Tenants Union is a statewide non-profit based in Seattle that provides information to tenants on landlord-tenant laws. The Tenants Union refers tenants alleging housing discrimination to fair housing enforcement agencies.⁸¹

⁷⁸ Washington State Legislature website.

⁷⁹ Fair Housing Center of Washington website.

⁸⁰ King County Dispute Resolution Center website.

⁸¹ Tenants Union website.

NORTHWEST JUSTICE PROJECT

The Northwest Justice Project (NJP) is a not-for-profit statewide organization that provides free civil legal services to low-income people from thirteen offices and two satellite locations throughout the state of Washington. Each year, NJP assists more than 18,000 people in need of critical legal assistance. During the second quarter of 2007, NJP's hotline system answered 6,745 calls. NJP refers allegations of housing discrimination to the appropriate fair housing agencies.⁸²

COLUMBIA LEGAL SERVICES

Columbia Legal Services (CLS) is a statewide legal services agency with five offices, including one in Seattle. CLS provides legal assistance to low-income and special needs people in areas including access to court interpreters, mental health services for children, equal educational opportunity for children, rights of persons in institutions, rights of foster children, payday loan transactions, farm worker workplace hazards, rights of residential and mobile home tenants, and H-2A farm workers. As with the non-profit agencies previously described, it also refers housing discrimination issues to fair housing agencies.⁸³

RENTAL HOUSING ASSOCIATION OF PUGET SOUND

The Rental Housing Association of Puget Sound was founded in 1927 as a non-profit and is the largest association of rental housing owners in the Pacific Northwest, with to date more than 4,400 members.

The Association's Code of Conduct, which all members are required to sign, includes language addressing fair housing as follows:

We comply with federal, state, and city fair housing laws. We do not engage in discrimination against persons on the basis of their protected-class status.

Its bylaws provide that the Association can "...deny, suspend or terminate membership for any member who knowingly or repeatedly violates the Code of Conduct."

It also disseminates fair housing information a) through the Association's website, which has information on housing discrimination with links to fair housing agencies, and b) through sponsorship of workshops on fair housing, such as the one offered for property owners at its March 2008 Spring Trade Show.⁸⁴

⁸² Northwest Justice Project website.

⁸³ Columbia Legal Services website.

⁸⁴ Rental Housing Association of Puget Sound website.

SEATTLE/KING COUNTY REALTOR'S® ASSOCIATION

The Seattle/King County Realtor's® Association is an 8,500-member real estate trade lobbyist group that promotes fair housing in several ways. Its Business Practices committee organizes educational opportunities for members on a range of topics, including fair housing. In 2006, the Association introduced online classes for members through a partnership with RealityU that included fair housing as a topic.

The Professional Standards Committee enforces the organization's Code of Ethics, which states:

“Realtors shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. Realtors shall not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin. Realtors, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin.”

All new members are required to take a Code of Ethics training within the first year of membership. The Code of Ethics is also posted on the organization website in Korean, Tagalog, Spanish, Chinese, Vietnamese and English.⁸⁵

⁸⁵ Seattle King County Realtors Association website.

6. Action Plan

The following section summarizes challenges and impediments to fair housing, as analyzed and described in previous sections of this report. These impediments form the basis for the recommended actions and implementation plan described below.

a. Summary of Impediments

Impediment #1: An inadequate supply of affordable housing in Seattle exacerbates fair housing challenges by impeding housing choice.

In recent years, strong job and population growth have led to a robust private housing market that have fueled increasing migration of low-income and minority residents toward areas outside of the city as rents and home prices have escalated. Wages for a number of the most prevalent jobs are inadequate to afford even studio apartment rents and a disproportionate share of low-income households continue to be cost-burdened for housing, particularly renters. Despite numerous public programs and policies to preserve and expand affordable housing, the force of the private market continues to drive a decline in housing affordability. In turn, this has begun to translate into reduced housing choice for protected classes, who are disproportionately low-income and racial minorities, as discussed in previous sections of this analysis.

Impediment #2: In addition to lack of affordable housing, protected classes also continue to experience direct housing discrimination, especially racial and ethnic minorities, refugees and immigrants, families, female headed households with no husband present, and the disabled. These take several forms including the following:

- Continued incidents of housing discrimination, particularly based on race, disability and family status in areas of North and Central Seattle.
- Lack of knowledge/information about fair housing and the complaint process lead to underreporting of fair housing violations, especially in limited English communities.
- Racial minorities continue to experience differential rates of loan denials.
- Subtle forms of preferential housing advertising exist in some local media sources
- The current subprime mortgage crisis brings potentially significant impacts on protected classes including: greater vulnerability to foreclosures due to racial minorities being a disproportionate share of subprime loan borrowers, increased difficulty of obtaining home loans, a tighter and less affordable rental housing market, and potential decline in home values and spillover effects in low-income areas.

b. Recommended Actions to Address Impediments

The following actions are recommended in response to the impediments described above.

1. CONTINUED SUPPORT OF AFFORDABLE HOUSING DEVELOPMENT (Lead agency: OH)
 - a. Continue to develop new resources to address affordable housing issues (e.g. Renew City housing levy in Fall 2009).
 - b. Continue enforcing relevant City requirements (e.g. siting of extremely low-income rental housing) tied to housing funding.
 - c. Explore and implement ways to more effectively utilize existing resources to expand housing choice.

- d. Expand incentive programs that encourage and enable more private developers to create affordable housing.
- e. Improve coordination between SOCR and OH in support of housing affordability as a critical element of fair housing.

2. INTERGOVERNMENTAL COORDINATION/RESOURCE ALLOCATION (Lead agencies: OH, SOCR)

- a. Take advantage of existing opportunities for intergovernmental coordination on affordable housing (e.g. Puget Sound Regional Council and King County).
- b. Request HUD funding for key initiatives including fair lending outreach program (action 3b), continued enforcement of fair housing laws (action 4a), increased testing and auditing (action 4c).

3. EDUCATION AND OUTREACH (Lead agency: SOCR)

- a. Partner with tenants advocacy groups and community organizations to provide fair housing training to renters. Request HUD funding to provide staff and material resources.
- b. Develop a Fair Lending program for renters and prospective homebuyers to provide training in recognizing discriminatory lending practices. Ensure the program is language- and culturally-appropriate for limited English underserved populations.
- c. Work with advertising departments of publishers of local housing information to eliminate explicit and implicit forms of preferential advertising.
- d. Explore feasibility of establishing a fair housing hotline to encourage education and follow-up on filing of complaints.
- e. Continue to reach out to apartment owners and the real estate industry, particularly in North and Central Seattle sub-areas, to encourage education about fair housing.
- f. In reasonable cause cases, develop a settlement requirement requiring respondent to provide and assume cost of SOCR-led Fair Housing trainings for tenants. Trainings should be open to the public and advertised in locales commonly-frequented by neighborhood residents such as grocery stores, laundromats, child care centers, grocery stores, etc.

4. CONTINUED ENFORCEMENT OF FAIR HOUSING LAWS (Lead agency: SOCR)

- a. Provide continued funding support for investigation of housing discrimination.
- b. Continue to coordinate with fair housing enforcement and advocacy agencies (U.S. HUD Regional Office, Fair Housing Center of Washington).
- c. Periodically conduct fair housing testing of the rental housing market, especially in Central and North Seattle and for race, family status and disability classes. Ensure HUD support for increased testing and auditing.

5. MONITORING/TRACKING (Lead agencies: OH, SOCR)

- a. Explore creating a streamlined database to provide ongoing tracking of demographics of OH-funded and SHA populations.
- b. Track number of incoming calls to SOCR and subsequent referrals and discrimination charges emerging from incoming calls.
- c. Improve database and coordination with other affordable housing funders in order to better track basic characteristics of subsidized rental housing in Seattle (e.g. location; affordability and size of units).

c. Implementation: Milestones, Timetable and Lead Agencies

RECOMMENDED ACTIONS TO ADDRESS IMPEDIMENTS	Milestones/Outputs	Timing	Lead
1. CONTINUED SUPPORT OF AFFORDABLE HOUSING DEVELOPMENT			
a. Continue to develop new resources for affordable housing.	successful levy renewal	2009	OH
b. Continue enforcing City requirements (e.g. siting of extremely low-income rental housing) tied to funding.	requirements maintained	ongoing	OH
c. Explore and implement ways to more effectively utilize existing resources to expand housing choice.	identification of options	2009	OH
d. Expand incentive programs that encourage more private developers to create affordable housing.	establish benchmarks	2009	OH
e. Improve coordination between SOCR and OH in support of housing affordability.	review coordination	2010	OH/SOCR
2. INTERGOVERNMENTAL COORDINATION			
a. Take advantage of existing opportunities for intergovernmental coordination on affordable housing.	ongoing participation	ongoing	OH, SOCR
b. Request HUD funding for key initiatives including fair lending outreach program (action 3b), continued enforcement of fair housing laws (action 4a), increased testing and auditing (action 4c).	requests to HUD completed	2009-2010	SOCR
3. EDUCATION AND OUTREACH			
a. Partner with tenants advocacy groups and community organizations to provide fair housing training to renters. Request HUD funding to provide staff and material resources.	conduct 8 trainings/year	ongoing	SOCR
b. Develop a Fair Lending program for renters and prospective homebuyers to provide training in recognizing discriminatory lending practices.	program developed	2010	SOCR
c. Work with advertising departments of publishers of local housing information to eliminate explicit and implicit forms of preferential advertising.	reduction in number of preferential ads	2009-10	SOCR
d. Explore feasibility of establishing a fair housing hotline to encourage education and follow-up on complaints.	complete feasibility analysis	2009-10	SOCR
e. Continue to reach out to apartment owners and the real estate industry, particularly in North and Central Seattle sub-areas, to encourage education about fair housing.	conduct 4 meetings/year	ongoing	SOCR
f. In reasonable cause cases, develop a settlement requirement requiring respondent to provide SOCR-led Fair Housing trainings for tenants.	seek/establish settlement requirement	2010	SOCR
4. CONTINUED ENFORCEMENT OF FAIR HOUSING LAWS			
a. Provide continued funding support for investigation of housing discrimination.	Funding identified/pursued	ongoing	SOCR
b. Continue to coordinate with fair housing enforcement and advocacy agencies (U.S. HUD Regional Office, Fair Housing Center of Washington).	continued coordination	ongoing	SOCR
c. Periodically conduct fair housing testing of the rental housing market, especially in Central and North Seattle and for race, family status and disability classes.	completed testing for identified areas and classes	ongoing	SOCR
5. MONITORING/TRACKING			
a. Explore creating a streamlined database to provide ongoing tracking of demographics of OH-funded and SHA populations.	list of demographics to track	2009-10	OH, SHA
b. Track number of incoming calls to SOCR and subsequent referrals and discrimination charges emerging from incoming calls.	expanded tracking system	2010	SOCR
c. Improve database and coordination with other affordable housing funders to better track basic characteristics of subsidized rental housing in Seattle (e.g. location; affordability and size of units).	creation of database; annual data collection and reports	2009-2012	OH

NOTES ON DATA

Note 1: Seattle Median Household Income (SMI)

In the Housing Market chapter of the 2009-2012 Consolidated Plan, housing needs are analyzed for a series of income categories, all expressed as percent of median household income for the City of Seattle, adjusted by household size (SMI). Each sample household's income was expressed as a percent of the median income estimate for its own household size category. The following table shows Seattle Median Household Income by Household Size (excluding one-person student households to be consistent with the analysis in this section) based on the U.S. Census 2006 American Community Survey (see Note 2 for more details). The 2006 household incomes used in the ACS analysis are shown in 2008 dollars. Showing the figures in 2008 dollars is intended to help the reader better relate to the income estimates.

Seattle Median Household Income (SMI) 2006

Household Size	30%	50%	80%	100%	120%	150%	200%
1	\$11,683	\$19,471	\$31,154	\$38,943	\$46,731	\$58,414	\$77,885
2	\$24,272	\$40,453	\$64,725	\$80,906	\$97,087	\$121,359	\$161,812
3	\$26,537	\$44,229	\$70,766	\$88,457	\$106,148	\$132,686	\$176,914
4	\$31,307	\$52,179	\$83,486	\$104,358	\$125,229	\$156,537	\$208,715
5+	\$23,754	\$39,590	\$63,344	\$79,180	\$95,016	\$118,770	\$158,360

Source: US Census Bureau, 2006 American Community Survey, adjusted for inflation to 2008 dollars.

Affordable Rents Percent of Seattle Median Income, by Household Size

Household Size	30%	50%	80%	100%	120%	150%	200%
1	\$292	\$487	\$779	\$974	\$1,168	\$1,460	\$1,947
2	\$607	\$1,011	\$1,618	\$2,023	\$2,427	\$3,034	\$4,045
3	\$663	\$1,106	\$1,769	\$2,211	\$2,654	\$3,317	\$4,423
4	\$783	\$1,304	\$2,087	\$2,609	\$3,131	\$3,913	\$5,218
5+	\$594	\$990	\$1,584	\$1,979	\$2,375	\$2,969	\$3,959

Source: Seattle Office of Housing (rents are calculated to equal 30% of household income; note that these rents are not the same as HUD's annually published income limits).

Note 2:

Use of American Community Survey (ACS) and ACS Public Use Microdata Sample (PUMS)

Much of the information on renter and owner households in in this analysis is based on estimates from the Census Bureau’s American Community Survey (ACS). ACS estimates are based on a sample (about 1 in 40 households nationwide per year) and are subject to sampling error. Margins of error are shown in the ACS tables the Census Bureau publishes on its “American Factfinder” website at <http://factfinder.census.gov>.

Estimates of the shares of Seattle households that are severely burdened by housing costs are based on a tailored analysis performed by the City of Seattle’s Office of Housing using 2006 ACS PUMS data. (PUMS is an acronym for “Public Use Microdata Sample.”) The Puget Sound Regional Council assembled and provided the ACS PUMS data to the City. All charts and text referring to “Seattle Median Income” (SMI) are based on the ACS PUMS data. (SMI is the reference point with which cost is compared in this order to estimate the shares of cost burdened renter and owner households in Seattle.) Note 1 provides additional details, including a table showing SMI estimates for specific household sizes.

Margins of error for estimates derived from the ACS PUMS dataset are larger than for the ACS as a whole. This is mostly because the PUMS dataset is pulled from a sample of the ACS sample. The PUMS dataset was used, however, because it enabled an analysis of Seattle households that was more tailored to the specific topics addressed in this section than would have been possible with the regular ACS tabulations published by the Census Bureau. (The ACS PUMS dataset comprises about 40% of the sample in the ACS as a whole, or about 1% of households in the nation.)

All estimates derived from the ACS PUMS must be regarded as rough estimates. Margins of error in the PUMS data are large relative to estimates for small population and household subgroups. In many, but not all cases, the analysis presented aggregated small subgroups to reduce margins of error.

Actual current numbers of cost burdened households are likely higher than the 2006 ACS-based estimates. Estimates in this chapter regarding the number of households in different income ranges and the number of households facing a severe cost burden are directly from the PUMS analysis. However, the 2006 ACS and the PUMS yielded lower household numbers (even after applying weighting to the PUMS) than City estimates.⁸⁶ The actual current numbers of severely cost burdened households in Seattle are likely higher than the 40,000 estimated with the 2006 ACS PUMS given this and given the substantial number of housing units *added* in the city between 2006 and 2008.

⁸⁶ *The Census Bureau indicates that ACS estimates are not meant to provide population or household counts, but to provide estimates regarding the characteristics of the population and of households. At the county level, the Census Bureau controls ACS population and housing unit estimates to the Bureau’s intercensal estimates. However, the same is not done at the city level. Based on PSRC estimates, Seattle had about 267,000 households in April of 2006.*

Note 3:
Definitions of Selected 2006 American Community Survey Terms

Median Income – The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. For households and families, the median income is based on the distribution of the total number of households and families including those with no income. The median income for individuals is based on individuals 15 years old and over with income. Median income for households, families, and individuals is computed on the basis of a standard distribution.

Household – A household includes all the people who occupy a housing unit. (People not living in households are classified as living in group quarters.) A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other people in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living arrangements.

Average Household Size – A measure obtained by dividing the number of people in households by the number of households. In cases where people in households are cross-classified by race or Hispanic origin, people in the household are classified by the race or Hispanic origin of the householder rather than the race or Hispanic origin of each individual. Average household size is rounded to the nearest hundredth.

Gross Rent – The data on gross rent were obtained from answers to Housing Questions 14a-d and 18 in the 2006 American Community Survey. Gross rent is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment. The estimated costs of water and sewer, and fuels are reported on a 12-month basis but are converted to monthly figures for the tabulations. Renter units occupied without payment of cash rent are shown separately as “No cash rent” in the tabulations.

Selected Monthly Owner Costs – The data on selected monthly owner costs were obtained from Housing Questions 14 and Questions 20 through 24 in the 2006 American Community Survey. The data were obtained for owner-occupied units. Selected monthly owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgages, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees). Selected monthly owner costs were tabulated for all owner-occupied units, and usually are shown separately for units “with a mortgage” and for units “not mortgaged.”

Other Subject Definitions from the U.S. Census American Community Survey for 2006 can be found at: http://www.census.gov/acs/www/Downloads/2006/usedata/Subject_Definitions.pdf.