REGIONAL CONVENING NOTES: SEATTLE, WA

OCTOBER 30, 2009
Hosted by Northwest Justice Project and Kirwan Institute for the Study of Race and Ethnicity
Additional financial support provided by the Annie E. Casey Foundation and Poverty & Race Research Action Council

PRESENTED BY

KIRWAN INSTITUTE
FOR THE STUDY OF RACE AND ETHNICITY

THE OHIO STATE UNIVERSITY
The Kirwan Institute for the Study of Race and Ethnicity is a university-wide interdisciplinary research institute. We generate and support innovative analyses that improve understanding of the dynamics that underlie racial marginality and undermine full and fair democratic practices throughout Ohio, the United States, and the global community. Responsive to real-world needs, our work informs policies and practices that produce equitable changes in those dynamics.
THE FUTURE OF FAIR HOUSING & FAIR CREDIT
October 30, 2009
Northwest African American Museum, Legacy Gallery
2300 S Massachusetts Street, Seattle, WA 98144

AGENDA

8:30 – 9a  Check-in
           Coffee service and pastries

9 – 9:15a  Introductions and group activity

9:15 – 9:45a  Kirwan Institute research findings and framework for solutions
              (Christy Rogers, The Kirwan Institute for the Study of Race and Ethnicity)

9:45 – 10:45a  Small group breakouts

10:45 – 11:00a  Break

11:00a – 12:00p  Reports to large group, brainstorming & discussion

12:00 – 1p  Buffet lunch catered by Jemil’s Creole Café

1 – 2:15p  Poverty & Race Research Action Council King County Opportunity Mapping Project
            (Jason Reece, The Kirwan Institute for the Study of Race and Ethnicity)

2:15 – 2:30p  Break and refreshments

2:30 – 3:30p  Training – Strategies for Affirmatively Furthering Fair Housing
              (Steve Fredrickson, Northwest Justice Project)

Sponsored by Northwest Justice Project and the Kirwan Institute for the Study of Race and Ethnicity at
The Ohio State University with financial support provided by W.K. Kellogg Foundation,
Annie E. Casey Foundation, and Poverty & Race Research Action Council (PRRAC).
Seattle, WA: Responses to facilitated workgroups 10-30-2009

KEY – FOR EACH SECTION (OPP’Y BASED HOUSING; FAIR CREDIT; COMMUNITY REVITALIZATION)

Blue highlight ** most votes
Red highlight ** second-most votes
Yellow highlight** third-most votes
Green highlight** happening now (for fair credit and community revitalization groups only)

OPPORTUNITY-BASED HOUSING: BARRIERS

- Housing Prices and Rents in High Opportunity areas ** (tie)
  - High down payment costs
  - Lack of disability/accessible units –
    o Information: where are units that are affordable/accessible?
    o Responsible actors / who should catalog housing stock?
  - Mismatch of affordable units to jobs
    o Lack of infrastructure, transportation (public transit access), human services
  - Rental landlords
    o Very selective; blacklisting tenants
  - Waiting list of 5 to 7 years
    o Impenetrable barriers (families with children)
    o Housing providers (artificial screening barriers)
    o List of units/waiting list conflicts
      - Geography
  - Discrimination – all levels **
    o 'Locational' – implicit policy of jurisdictions; ex. disparate results, land cost, sec. 8 not keeping up with inflation – driven by funding gaps, fed grant scoring process, zoning)
    o Intentional discrimination still
    o Criteria
      - shifting, no consistency
      - unit inspections – excuse to not lease
      - criminal violations
      - eviction lawsuit history
      - credit reporting scores
      - housing history credit record
      - source of income
- social security numbers
- immigrant status/greencard
- income levels (min. income levels 3x rent)
- domestic violence/protection orders

- Banking late fees – impact of check cashing org’s – financial strife
  - hundreds of dollars (and escalating)
  - landlord late fees
  - impact of cash checking orgs – financial strife

- Landlords shifting costs to tenants via fees

- Landlords shifting to online services
  - technology barrier
  - preference given to bank accounts
  - technology making more interconnected challenges for low income families - “snowball”
  - specialty consumer reporting agencies (checklist) disqualifying... tenants

- Local (WA state)
  - poor tenant protection laws
  - “big picture issue”
  - protection lacking

- Need for fair housing agencies to build relationships – leads to challenges in enforcement

- **Lack of enforcement of law (tie)**
  - reactionary approach – need to be proactive
  - code enforcement
  - avoidance of litigation
  - burden placed on tenant
  - courts resistant to discrimination cases that are not blatant
  - lack of funding for enforcement
  - complicity of city councils – “moratorium” on certain housing types

- **Housing Search Support Barriers (tie)**
  - credit reports
  - search capabilities
  - question on application: “Have you been evicted?”
  - lack of info on other supports (child care, transportation)
  - Folks not aware of their fair housing rights
  - pressure from other financial issues

- Lack of holistic approach to address issues
  - very complex issues/interrelationships
OPPORTUNITY-BASED HOUSING: SOLUTIONS / WAYS FORWARD

- Housing more central in community planning**
  - Approach as regional issue
    - connect affordability & discrimination issues
    - No more silos
      - CDC's driving “localism” - nurture and support (no regional collaboration CDC's currently)
  - Bottom up organizing to influence/drive political will - “It takes a hurricane”
    - housing crisis to defuse to be an organizational driver

- More organized data collection and statistics
  - necessary for mobilization
  - tracking of information
  - statewide mapping approach
  - demographic data on units

- More deliberate in housing “site” methods**
  - ex. LIHTC scoring criteria
  - siting more holistic in criteria
  - healthy transportation, schools
  - healthy food (grocers..)

- Housing search assistance and counseling
  - more direct advising for clients (counseling, education)

- More proactive role for enforcement agencies
  - less reactionary
FAIR CREDIT: BARRIERS

- “Fake” credit cards
  - deceptive practices
  - negative impacts future credit

- Banks profit from subprime loans **

- Unregulated brokers

- Bank policies “facially” “neutral”

- Remittances are under the radar

- Banks have helped CREATE the payday lending field because of the punitive fee structure

- Scare/deceptive tactics to get them to pay debt first (SOL: enforcement)

- How get people to take financial education classes?

- People do not feel empowered to advocate for themselves

- Hopeless – hard to get into education now, too far in

- Credit “counseling” offering to refinance current mortgages (scams)
  - People don’t know about bank option to refinance

- Credit scoring affects employment, financial products
  - closing an inactive bank account hurts score

- District court favors creditors
  - “zombie” credit – revival of old debt
  - file far away from clients
  - “confusion” over name of debtor
  - bank sloppiness with immigrant clients

- Complexity of transactions **
  - Banks and financial institutions can move faster, evade regulation
  - power imbalances
  - disclosure might not equal clarity
  - language barriers

- Resistance to coops
  - lack of loans

- Resistance to reform
  - (i.e. resistance to payday lending law)

- People paying payday lenders before their housing (as result of phone threat); results in eviction
• Financial education
  o students targeted by credit card companies
  o game is skewed to keep you in debt
  o how can people keep up with evolving complex products?

• People don’t trust banks **
  o redlining history, etc.
  o bad history preempts trust
    ▪ ...& don’t see value of credit unions
    ▪ ...& don’t have direct deposits & other free checking drivers (paid differently)

• Banks implement minimum credit score

• Ease in getting credit (at 28% interest)
  o Payday loans are ubiquitous and easy
  o Wages do not keep up with the rising cost of credit

• Media promotion of what constitutes American dream
  o don’t think of cost, only “rewards” of consumption

• Industry loves education efforts in place of regulation
  o shouldn’t be a proxy, shifts burden to consumers – education should be earlier

• Racism ** (tie)
  o historical denial of credit
    ▪ couldn’t send kids to college, give people down payments
    ▪ intergenerational loss of wealth transfer
  o racial targeting

• Payday loans moving on-line
  o unregulated, higher limits – violate what few restrictions we had
FAIR CREDIT: SOLUTIONS / WAYS FORWARD

- **Lawsuits / enforcement of existing law (happening now)**
  - Multiple regulatory agencies
    - limit marketing schemes/”survey”
  - Bill effective Jan. 2010 re: payday lending
    - limit to 8 loans/person/year
    - limits loan amount
    - changes repayment terms
    - took 4 years to get here

- **Usury Law**
  - Preemption
    - Before 1980, states could bring action against national banks – now states can’t take action
  - One-page mortgage disclosure form

- **Legislative action**
  - Local options/alternatives to banks (community credit unions, etc.)
    - Churches, civil rights, neighborhood partners; alternatives
  - Utility bill/ full file disclosure
    - alternative index
    - Transparency and clarity of FICO calculator

- **Living wage**

- **Pushback on “choice” and “access to credit” frame of payday lending**
  - counteracting the deceptive advertising that target for debt and/or “save” you scams

- **Educate the larger community about discriminatory practices**
  - Where is financial education in life skills classes?

- **“Bank On” Initiative ** *(happening now and two votes for “best solution”)*
  - Local initiative (Seattle/King County, Cowlettz Co.)
  - Need to expand statewide
    - banks
    - credit unions
    - community orgs
    - pull in the under-banked
    - offer sustainable options and press for parallel federal reforms

- **Low cost credit unions**
  - go to community organizations
  - requires financial literacy
- **Enforcement (clear winner)**
  - Lack of prosecution/sanctions when fraud committed
  - Need more staff/$

- Structure of oversight committees must have consumer advocates

- Smaller/local banks **(happening now)**
  - Micro-banks or non-profit models
  - Credit unions
AFFIRMATIVE COMMUNITY REVITALIZATION: BARRIERS

- Declining budgets
- Lack of inclusion in process **
- “Fragmentation” of similar interest groups/organizations ** (tie)
- Cultural/language barriers and access resources
- Geographical fragmentation of similar interests
- Decline in resources/feedback from public/private/philanthropic resources
- Awareness of available resources
- Revitalization NOT creating NEW local community jobs ** (tie)
- Rent is not lowering
- Spatial mismatch
- Less funding
- Lack of collaboration of municipal departments
- Access to transportation
- Lack of network strength, in terms of access to resources and knowledge
- Lack of access to public policy leaders, underrepresentation at this level in minority communities **
- DON'T OVERSPEND on research at the expense of the action
  - led by community specific scope
AFFIRMATIVE COMMUNITY REVITALIZATION: SOLUTIONS/WAYS FORWARD

- Policies promoting more workforce housing; enforce EXISTING laws and policies
  - WMB creation/support

- Dedicated organizations to generate collaborative action
  - Move past “niche” limits

- Dedicated funds to specific issues

- Stakeholder involvement early in revitalization planning process **

- More living wage job training (community-based)

- Tax incentives to use community based providers, funds for small business development

- Improved incorporation of modern communication strategies (virtual social networks)

- Expand consideration qualifications for small business expansion

- Process improvement in deciding which projects happen

- Case studies/resources of success (stories in local business development, available as guiding resource)

- For projects, bid out in small pieces to allow small service inclusion

- FIGURE OUT how individuals/organizations can get access to funds

- POTLATCH, TABOR, WAACO (happening now)

- Cultivate community leaders at a grassroots level (happening now)

- Knowledge base to understand communities (happening now)
  - inventory
  - data collection (unlikely at local level)
  - ex. Equity/Social Justice Data Workgroup
LARGE GROUP – TWO QUESTIONS POSED

1. What should federal policies be doing differently?
   No response

2. What are the barriers to working across domains/disciplines on these issues?

   - Response: Philanthropies want to partner with groups on directing wealth back into under-served people/places; preventing predatory practices; we want to focus more strategically – not just immediate needs but long-term

   - Response: Oregon ban on inclusionary zoning (home builders against it) – cost is a barrier; partners have diverse interests

   - Response: Are the voices of those disproportionately effective heard? Is the policy appropriate to address those disproportionately affected? Do we have proportional representation into these dialogues particularly w/r/t financial institutions: not just about (representation) population percent, but the disproportionate impact on those communities.

   - Response: How are we going to build on today? At the state, regional, local level and influence change @ federal level? We need organizational support to facilitate discussion like this; need follow-up; sustainability of approach; translating ideas into action...

   - Response: Is the goal “equitable service provision/delivery” or “reducing disproportionate outcomes/disparities?” There is a policy gap w/r/t social justice at local level.

   - Response: What is the outcome product of today – do we get a report back to us/stakeholders?
     - We will communicate back 1-2 weeks

   - Response: Are you looking @ rural vs. urban? If you do on-going workgroup – id pilot projects – perhaps compare rural vs. urban?