

Appendix C

Clackamas County Analysis of Impediments to Fair Housing

Socioeconomic Context

Individuals in Poverty

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but are updated annually for inflation, using the Consumer Price Index. The official poverty definition counts monetary income earned before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Poverty is not defined for people in military barracks, institutional group quarters, or for unrelated individuals under the age of 15, such as foster children. These people are excluded from the poverty calculations.

Table C-1 shows the number of people in poverty for each of the municipalities in Clackamas County.

Table C-1. Individuals in Poverty by Age (AIFH Table II.6)

| City | Under 5 | 5 years | 6 to 11 years | 12 to 17 years | 18 to 64 years | 65 to 74 years | 75 years and over | Total | Poverty Rate |
|--------------|---------|---------|---------------|----------------|----------------|----------------|-------------------|-------|--------------|
| Barlow | . | . | 3 | . | 2 | . | . | 5 | 3.50 |
| Canby | 111 | 28 | 127 | 120 | 492 | 41 | 34 | 953 | 7.44 |
| Damascus | 13 | 9 | 20 | 34 | 148 | 7 | 11 | 243 | 2.73 |
| Estacada | 19 | 5 | 53 | 30 | 170 | 14 | . | 291 | 12.85 |
| Gladstone | 147 | 13 | 150 | 51 | 569 | 36 | 33 | 999 | 8.97 |
| Happy Valley | . | . | 8 | 11 | 41 | . | . | 60 | 1.23 |
| Johnson City | 7 | . | 4 | 7 | 28 | 3 | 6 | 55 | 8.08 |
| Lake Oswego | 57 | . | 46 | 78 | 734 | 71 | 80 | 1,066 | 3.25 |
| Milwaukie | 165 | 50 | 130 | 116 | 915 | 90 | 88 | 1,554 | 7.58 |
| Molalla | 54 | 5 | 49 | 61 | 293 | 7 | 50 | 519 | 9.67 |
| Oregon City | 244 | 14 | 259 | 252 | 1,237 | 57 | 110 | 2,173 | 8.86 |

| City | Under 5 | 5 years | 6 to 11 years | 12 to 17 years | 18 to 64 years | 65 to 74 years | 75 years and over | Total | Poverty Rate |
|------------------|---------|---------|---------------|----------------|----------------|----------------|-------------------|--------|--------------|
| Rivergrove | 3 | . | 1 | 4 | 7 | . | . | 15 | 5.21 |
| Sandy | 20 | 16 | 73 | 59 | 239 | . | 25 | 432 | 8.13 |
| West Linn | 60 | 8 | 57 | 122 | 542 | 30 | 42 | 861 | 3.90 |
| Wilsonville | 89 | . | 26 | 22 | 476 | 50 | 119 | 782 | 5.64 |
| Remaining areas | 1,219 | 249 | 1,287 | 1,188 | 7,152 | 352 | 515 | 11,961 | 7.06 |
| Clackamas County | 2,208 | 397 | 2,293 | 2,155 | 13,045 | 758 | 1,113 | 21,969 | 6.56 |

Low-income Concentrations

The Decennial Census also addresses household income and reports household incomes in discrete segments. Households are defined as all people who occupy a housing unit. Household income includes the income of everyone 15 years old and over in the household, whether they are related to the householder or not. Further, because many households consist of only one person, average household income is usually less than average family income.

Overall, there were 6,126 households in Clackamas County that had incomes of less than \$10,000, nearly 4.8 percent of all households. Furthermore, there were another 13.7 percent of all households that had income from \$10,000 to \$24,999, or 17,605 households.

Table C-2. Households by Income Range (AIFH Table II.7)

| City | Less than \$10 | \$10 - \$14.9 | \$15- \$19.9 | \$20- \$24.9 | \$25- \$34.9 | \$35- \$49.9 | \$50- \$74.9 | \$75- \$99.9 | \$100- \$149.9 | \$150 or more | Total House-holds | Median House hold Income (\$) |
|--------------|----------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------|-------------------|-------------------------------|
| Barlow | 2 | . | . | 7 | 12 | 8 | 11 | 5 | . | . | 45 | 41,250 |
| Canby | 231 | 265 | 292 | 216 | 582 | 903 | 981 | 525 | 402 | 121 | 4,518 | 45,811 |
| Damascus | 61 | 70 | 49 | 122 | 231 | 454 | 778 | 576 | 563 | 167 | 3,069 | -NA- |
| Estacada | 120 | 60 | 64 | 54 | 96 | 138 | 132 | 101 | 55 | 14 | 834 | 39,200 |
| Gladstone | 290 | 238 | 273 | 229 | 439 | 826 | 1,012 | 523 | 280 | 35 | 4,145 | 46,368 |
| Happy Valley | 9 | 9 | 38 | 34 | 57 | 151 | 263 | 273 | 376 | 313 | 1,523 | 93,131 |

| City | Less than \$10 | \$10 - \$14.9 | \$15- \$19.9 | \$20- \$24.9 | \$25- \$34.9 | \$35- \$49.9 | \$50- \$74.9 | \$75- \$99.9 | \$100- \$149.9 | \$150 or more | Total House-holds | Median House hold Income (\$) |
|--------------|----------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------|-------------------|-------------------------------|
| Johnson City | 20 | 8 | 34 | 23 | 52 | 73 | 60 | 12 | 2 | 2 | 286 | 35,517 |
| Lake Oswego | 444 | 305 | 439 | 452 | 1,248 | 1,715 | 2,271 | 1,787 | 2,442 | 2,489 | 13,592 | 73,774 |
| Milwaukie | 455 | 474 | 556 | 523 | 1,291 | 1,723 | 2,094 | 889 | 503 | 140 | 8,648 | 43,635 |
| Molalla | 157 | 96 | 107 | 178 | 262 | 383 | 507 | 200 | 92 | 9 | 1,991 | 42,672 |
| Oregon City | 728 | 395 | 527 | 501 | 1,322 | 1,816 | 2,245 | 1,217 | 599 | 143 | 9,493 | 45,531 |
| Rivergrove | . | 3 | 4 | . | 9 | 9 | 24 | 15 | 21 | 14 | 99 | 76,201 |
| Sandy | 118 | 124 | 145 | 118 | 235 | 409 | 468 | 182 | 99 | 50 | 1,948 | 42,115 |
| West Linn | 211 | 164 | 252 | 339 | 647 | 972 | 1,582 | 1,266 | 1,560 | 1,161 | 8,154 | 72,010 |
| Wilsonville | 240 | 216 | 338 | 295 | 754 | 941 | 1,211 | 893 | 687 | 352 | 5,927 | 52,515 |
| Remaining | 3,040 | 2,835 | 2,946 | 3,188 | 7,865 | 11,436 | 14,277 | 8,754 | 6,718 | 3,027 | 64,088 | -NA- |
| Total County | 6,126 | 5,262 | 6,064 | 6,279 | 15,102 | 21,957 | 27,916 | 17,218 | 14,399 | 8,037 | 128,360 | 52,080 |

Note: Income ranges are listed in thousands of dollars.

Clackamas County Housing Housing Inventory

The 2000 Census estimated that Clackamas County's housing stock totaled nearly 137,000 units. Of these units, over 92,200, or 67.3 percent, were single-family detached units. Another 11,543, or 8.4 percent, were mobile homes or manufactured homes. This represents a total of nearly 76 percent of all housing choice being detached single-family style units. Another 22,248 units were in apartment buildings consisting of 5 or more units. This totaled 16 percent of housing choices.

Several municipalities in the county have either just a few rental properties or no rental properties at all. Rivergrove has no rental units and Happy Valley has just 9 rentals in attached units. Overall, 41.4 percent of all apartment structures having five or more units are located in the rural areas of the county. This data is presented in Table C-3, below.

Table C-3. Total Housing Units by Type of Unit (AIFH Table II.8)

| City | 1 unit, de-tached | 1 unit, attached | 2 to 4 units | 5 to 19 units | 20 to 49 units | 50 or more units | Mobile Home/ Trailer | Boat, RV, Van, etc. | Total |
|-----------------|----------------------|---------------------|--------------------|---------------------|----------------------|------------------------|----------------------------|---------------------------|---------|
| Barlow | 38 | . | . | . | . | . | . | . | 38 |
| Canby | 3,147 | 232 | 373 | 393 | 155 | 225 | 265 | . | 4,790 |
| Damascus | 2,822 | 27 | 25 | . | . | . | 274 | 6 | 3,154 |
| Estacada | 571 | . | 104 | 62 | 74 | 14 | 39 | . | 864 |
| Gladstone | 2,892 | 122 | 295 | 399 | 125 | 246 | 262 | . | 4,341 |
| Happy Valley | 1,573 | 9 | . | . | . | . | . | . | 1,582 |
| Johnson City | 22 | . | . | 2 | . | 4 | 267 | . | 295 |
| Lake Oswego | 9,597 | 842 | 738 | 1,949 | 431 | 754 | 26 | . | 14,337 |
| Milwaukie | 5,938 | 213 | 834 | 1,010 | 381 | 589 | 84 | . | 9,049 |
| Molalla | 1,242 | 62 | 250 | 60 | 99 | 80 | 242 | 17 | 2,052 |
| Oregon City | 6,320 | 283 | 1,223 | 1,265 | 192 | 534 | 348 | . | 10,165 |
| River-grove | 108 | . | . | . | . | . | . | . | 108 |
| Sandy | 1,336 | 51 | 258 | 141 | 50 | 24 | 219 | . | 2,079 |
| West Linn | 6,779 | 321 | 381 | 752 | 136 | 308 | 68 | . | 8,745 |
| Wilsonville | 2,355 | 674 | 403 | 1,667 | 216 | 689 | 415 | . | 6,419 |
| Remaining | 47,470 | 675 | 2,214 | 4,603 | 1,250 | 3,369 | 9,034 | 321 | 68,936 |
| Total County | 92,210 | 3,511 | 7,098 | 12,303 | 3,109 | 6,836 | 11,543 | 344 | 136,954 |

Income Spent on Housing and Cost Burdens

The 2000 Census reported the level of income spent on housing. These data pertain to renters, homeowners with a mortgage and homeowners without a mortgage. Rental costs include the cost of the monthly rent, plus any energy utilities, such as gas or electricity, that the tenant must pay. Homeowner costs include energy utilities, water, sewer, and refuse collection, as well as property taxes and insurance on the home. For those homeowners with mortgages, this also includes the principal and interest payments each month. Households that expend from 30 to 50 percent of their income on housing are experiencing a housing cost burden. Those that spend more than 50 percent of their income on housing are experiencing a severe cost burden.

Table C-4 presents cost burden data for the entire county compared to U.S. average data from the 2000 Census. Interestingly, renters in Clackamas County appear to have more affordable rental options than that seen nationally, with just 19.7 percent of the county's renters experiencing a cost burden, compared to 20.8 percent nationally, and just 16.9 percent experiencing a severe cost burden, compared to 19.1 percent nationally. However, homeowners with a mortgage have a greater burden than seen nationally, with 20.7 percent of the county's homeowners experiencing a cost burden and 9.4 percent experiencing a severe cost burden, compared to 17.7 and 9.1 percent nationally. Conversely, homeowners without a mortgage have a lower incidence of cost burdens than seen nationally.

Cost burdens are not equitably distributed throughout the county. Table C-5 presents the level of income spent on housing by householders in each of the municipalities in the county, as well as all remaining areas of the county. While the remaining areas of the county have the greatest frequency of renters, Gladstone has the highest rate of renters having a severe cost burden, with some 20.7 percent, or 298 renters. Furthermore, Oregon City has the greatest *number* of renters experiencing a severe cost burden, some 711 of the 3,824 renters. Milwaukie has the next-lowest rate, with 12.9 percent, or 435 renters. Interestingly, Happy Valley has no severely cost-burdened renters.

Table C-4. Cost Burden and Severe Cost Burden (AIFH Table II.10)

| Renters | Clackamas | U.S. |
|-----------------------------|-----------|-------|
| Cost Burden | 19.7% | 20.8% |
| Severe Cost Burden | 16.9% | 19.1% |
| Homeowners with Mortgage | | |
| Cost Burden | 20.7% | 17.7% |
| Severe Cost Burden | 9.4% | 9.1% |
| Homeowners without Mortgage | | |
| Cost Burden | 5.7% | 6.5% |
| Severe Cost Burden | 3.0% | 4.2% |

Source: Clackamas County and U.S. 2000 Census

Table C-5. Income Spent on Housing – Specified Renter-Occupied Units (AIFH Table II.11)

| City | Less than 30 percent | 30 to 50 percent | 50 percent or more | Not Computed | Total |
|----------|----------------------|------------------|--------------------|--------------|-------|
| Barlow | . | . | 1 | 4 | 5 |
| Canby | 874 | 295 | 228 | 86 | 1,483 |
| Damascus | 90 | 45 | 29 | 36 | 200 |
| Estacada | 148 | 89 | 54 | 24 | 315 |

| City | Less than 30 percent | 30 to 50 percent | 50 percent or more | Not Computed | Total |
|------------------|----------------------|------------------|--------------------|--------------|--------|
| Gladstone | 812 | 229 | 298 | 101 | 1,440 |
| Happy Valley | 71 | . | . | . | 71 |
| Johnson City | 13 | 13 | . | . | 26 |
| Lake Oswego | 2,390 | 769 | 559 | 201 | 3,919 |
| Milwaukie | 2,170 | 654 | 435 | 114 | 3,373 |
| Molalla | 332 | 131 | 120 | 28 | 611 |
| Oregon City | 2,160 | 820 | 711 | 133 | 3,824 |
| Rivergrove | 10 | . | 2 | . | 12 |
| Sandy | 364 | 157 | 87 | . | 608 |
| West Linn | 1,110 | 273 | 318 | 56 | 1,757 |
| Wilsonville | 1,671 | 609 | 400 | 44 | 2,724 |
| Remaining areas | 8,964 | 3,074 | 2,895 | 1,043 | 15,976 |
| Clackamas County | 21,179 | 7,158 | 6,137 | 1,870 | 36,344 |

Source: U.S. 2000 Census

Clackamas County has a slightly greater number of homeowners that are experiencing cost burdens than seen nationally. These statistics are also not spread equally throughout the county. Johnson City had the highest number of homeowner households experiencing a severe cost burden. Interestingly, Happy Valley had the next highest share of homeowner households experiencing a severe cost burden, with 16.5 percent of its householders experiencing a severe cost burden, or about 200. Estacada and Sandy also have a relatively high rate of severe cost burdens, with 12 and 11.1 percent of the householders with a mortgage experiencing a severe cost burden. Interestingly, the greatest total numbers of householders with severe cost burdens reside in Lake Oswego, with 663, and in West Linn, with 463, as seen in Table C-6, below. However, these two cities also have the third and fifth lowest poverty rates in the county.

Table C-6. Income Spent on Housing – Specified Owner-Occupied Units with a Mortgage (AIFH Table II.12)

| City | Less than 30 percent | 30 to 50 percent | 50 percent or more | Not Computed | Total |
|--------|----------------------|------------------|--------------------|--------------|-------|
| Barlow | 17 | 9 | 2 | . | 28 |
| Canby | 1,312 | 461 | 130 | . | 1,903 |

| City | Less than 30 percent | 30 to 50 percent | 50 percent or more | Not Computed | Total |
|------------------|----------------------|------------------|--------------------|--------------|--------|
| Damascus | 1,241 | 458 | 163 | 11 | 1,874 |
| Estacada | 256 | 68 | 44 | . | 368 |
| Gladstone | 1,208 | 410 | 192 | 12 | 1,822 |
| Happy Valley | 777 | 235 | 200 | . | 1,212 |
| Johnson City | 6 | . | 2 | . | 8 |
| Lake Oswego | 5,244 | 1,126 | 663 | 18 | 7,051 |
| Milwaukie | 2,418 | 776 | 376 | 6 | 3,576 |
| Molalla | 507 | 244 | 77 | . | 828 |
| Oregon City | 2,852 | 1,037 | 418 | 25 | 4,332 |
| Rivergrove | 51 | 17 | 8 | . | 76 |
| Sandy | 637 | 203 | 105 | . | 945 |
| West Linn | 3,820 | 917 | 463 | 7 | 5,207 |
| Wilsonville | 1,428 | 423 | 136 | 7 | 1,994 |
| Remaining areas | 18,206 | 5,499 | 2,415 | 133 | 26,252 |
| Clackamas County | 39,980 | 11,883 | 5,394 | 219 | 57,476 |

Source: U.S. 2000 Census

Some 15,317 homeowners who no longer have a mortgage reside in Clackamas County. The rural areas have the greatest number of homeowners without mortgages, although Lake Oswego has the most for any of the municipalities, as seen in Table C-7, below. The areas with the greatest share of homeowners without a mortgage and experiencing a severe cost burden are Sandy, with 6.7 percent, Molalla, with 5.8 percent, and Damascus, with 5.6 percent.

Table C-7. Income Spent on Housing – Specific Owner-Occupied Units Without a Mortgage (AIFH Table II.13)

| City | Less than 30 percent | 30 to 50 percent | 50 percent or more | Not Computed | Total |
|-----------|----------------------|------------------|--------------------|--------------|-------|
| Barlow | 5 | . | . | . | 5 |
| Canby | 629 | 27 | 10 | . | 666 |
| Damascus | 359 | 19 | 22 | . | 401 |
| Estacada | 74 | 8 | . | . | 82 |
| Gladstone | 477 | 60 | 24 | . | 561 |

| City | Less than 30 percent | 30 to 50 percent | 50 percent or more | Not Computed | Total |
|---------------------|-------------------------|---------------------|-----------------------|-----------------|--------|
| Happy Valley | 148 | 26 | . | . | 174 |
| Johnson City | . | . | . | . | . |
| Lake Oswego | 1,530 | 77 | 66 | 39 | 1,712 |
| Milwaukie | 1,102 | 80 | 12 | . | 1,194 |
| Molalla | 195 | 15 | 13 | . | 223 |
| Oregon City | 759 | 38 | 12 | 14 | 823 |
| Rivergrove | 13 | . | . | . | 13 |
| Sandy | 117 | 9 | 9 | . | 135 |
| West Linn | 719 | 33 | 14 | 17 | 783 |
| Wilsonville | 495 | 11 | 22 | 11 | 539 |
| Remaining areas | 7,235 | 466 | 259 | 47 | 8,006 |
| Clackamas County | 13,857 | 869 | 463 | 128 | 15,317 |

Source: U.S. 2000 Census

Housing Problems

HUD defines overcrowded housing conditions as a householder having one to 1.5 persons per room. The household has severely overcrowded conditions if there are more than 1.5 persons per room. Clackamas County has over 4,500 householders that are either overcrowded or severely overcrowded. However, most of the county's overcrowded households are renter households. Furthermore, renter households are nearly three times more likely to be severely overcrowded than homeowner households. This information is presented in Table C-8.

*Table C-8. Incidence of Overcrowding – Occupied Units
(AIFH Table 11.14)*

| City | Owner-Occupied | | | Renter-Occupied | | | Total Occupied | |
|----------|----------------|--------------|--------------|-----------------|--------------|---------------------------|----------------|-------|
| | 1.00 or less | 1.01 to 1.50 | 1.51 or more | Total | 1.00 Or less | 1.01 to 1.50 1.51 or more | | |
| Barlow | 31 | 2 | . | 33 | 5 | . | 5 | 38 |
| Canby | 2,935 | 30 | 52 | 3,017 | 1,246 | 115 | 122 | 1,483 |
| Damascus | 2,797 | 30 | 14 | 2,840 | 209 | . | 8 | 217 |
| Estacada | 495 | 9 | 6 | 510 | 280 | 20 | 15 | 315 |

| City | Owner-Occupied | | | Renter-Occupied | | | Total Occupied | |
|--------------|----------------|--------------|--------|-----------------|--------------|-------|----------------|---------|
| | 1.00 or less | 1.01 to 1.50 | Total | 1.00 Or less | 1.01 to 1.50 | Total | | |
| Gladstone | 2,698 | 27 | 2,732 | 1,284 | 77 | 79 | 1,440 | 4,172 |
| Happy Valley | 1,392 | 30 | 1,428 | 71 | . | . | 71 | 1,499 |
| Johnson City | 255 | . | 258 | 26 | . | . | 26 | 284 |
| Lake Oswego | 9,529 | 28 | 9,564 | 3,714 | 150 | 62 | 3,926 | 13,490 |
| Milwaukie | 5,194 | 48 | 5,256 | 3,156 | 107 | 116 | 3,379 | 8,635 |
| Molalla | 1,301 | 33 | 1,351 | 559 | 53 | 18 | 630 | 1,981 |
| Oregon City | 5,586 | 54 | 5,660 | 3,497 | 194 | 160 | 3,851 | 9,511 |
| Rivergrove | 94 | . | 94 | 9 | 3 | . | 12 | 106 |
| Sandy | 1,321 | 13 | 1,346 | 567 | 31 | 19 | 617 | 1,963 |
| West Linn | 6,393 | 35 | 6,434 | 1,690 | 19 | 54 | 1,763 | 8,197 |
| Wilsonville | 3,144 | 57 | 3,208 | 2,535 | 105 | 84 | 2,724 | 5,932 |
| Remaining | 46,357 | 760 | 47,414 | 15,278 | 690 | 629 | 16,597 | 64,011 |
| Total County | 89,522 | 1,156 | 91,145 | 34,126 | 1,564 | 1,366 | 37,056 | 128,201 |

Source: U.S. 2000 Census

Home Mortgage Disclosure Act Analysis

The Home Mortgage Disclosure Act (HMDA) data was used in the Clackamas County Analysis of Impediments. Congress enacted the Act in 1975, and it has been amended several times. It was made permanent in 1988. The Act requires both depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans. Under the Act, financial institutions are required to report the race, sex, loan amount, and income of mortgage applicants and borrowers by census tract.

Information from the HMDA database for the years 1993 through 2003 was collected and analyzed for Clackamas, Multnomah and Washington counties and the state of Oregon. Loan applications were analyzed in several ways. These include race and gender of the applicant, the loan application amount, loan types, lender actions and denial rates. Furthermore, denial rates in Clackamas County were compared with Multnomah and Washington counties and Oregon. Lastly, loan denial rates were analyzed by race at the national level during 2002-2003.

Table C-9, below, presents the number of loan applications each year from 1993 through 2003, separated by the purpose of the loan application. The purposes relate to home purchase. The other category includes home improvement, refinance, the purchase of a multifamily dwelling, and a few missing loan purchase purpose.

Table C-9. Home Mortgage Disclosure Act Data (AIFH Table IV.12)

| Geography | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Clackamas County | | | | | | | | | | | | |
| Home Purchase | 7,914 | 8,731 | 9,357 | 10,397 | 11,971 | 13,848 | 13,112 | 12,582 | 13,209 | 13,011 | 15,225 | 129,357 |
| % of Oregon | 15.20 | 14.09 | 13.24 | 12.21 | 11.88 | 11.14 | 10.86 | 10.61 | 11.65 | 10.87 | 10.90 | 11.68 |
| Other | 15,959 | 9,254 | 8,471 | 14,034 | 17,017 | 30,348 | 20,216 | 11,830 | 27,977 | 33,604 | 50,186 | 238,896 |
| Total | 23,873 | 17,985 | 17,828 | 24,431 | 28,988 | 44,196 | 33,328 | 24,412 | 41,186 | 46,615 | 65,411 | 368,253 |
| Multnomah County | | | | | | | | | | | | |
| Home Purchase | 13,459 | 15,625 | 16,927 | 19,693 | 20,475 | 24,280 | 23,410 | 23,018 | 23,194 | 24,590 | 28,793 | 233,464 |
| % of Oregon | 25.84 | 25.21 | 23.94 | 23.13 | 20.32 | 19.53 | 19.38 | 19.40 | 20.45 | 20.54 | 20.60 | 21.09 |
| Other | 25,712 | 17,065 | 15,438 | 27,607 | 31,608 | 52,503 | 37,790 | 22,987 | 48,612 | 58,165 | 84,555 | 422,042 |
| Total | 39,171 | 32,690 | 32,365 | 47,300 | 52,083 | 76,783 | 61,200 | 46,005 | 71,806 | 82,755 | 113,348 | 655,506 |
| Washington County | | | | | | | | | | | | |
| Home Purchase | 10,123 | 11,101 | 12,305 | 14,312 | 16,073 | 18,477 | 18,105 | 18,551 | 18,883 | 19,306 | 22,574 | 179,810 |
| % of Oregon | 19.44 | 17.91 | 17.41 | 16.81 | 15.95 | 14.87 | 14.99 | 15.64 | 16.65 | 16.13 | 16.15 | 16.24 |
| Other | 17,873 | 9,273 | 7,837 | 13,675 | 16,853 | 32,615 | 20,119 | 11,110 | 32,661 | 41,665 | 62,489 | 266,170 |
| Total | 27,996 | 20,374 | 20,142 | 27,987 | 32,926 | 51,092 | 38,224 | 29,661 | 51,544 | 60,971 | 85,063 | 445,980 |
| State of Oregon | | | | | | | | | | | | |
| Home Purchase | 52,077 | 61,984 | 70,698 | 85,127 | 100,744 | 124,291 | 120,765 | 118,637 | 113,408 | 119,710 | 139,743 | 1,107,184 |
| Other | 92,307 | 59,773 | 52,825 | 97,615 | 124,708 | 230,021 | 171,207 | 106,737 | 226,793 | 268,487 | 403,616 | 1,834,089 |
| Total | 144,384 | 121,757 | 123,523 | 182,742 | 225,452 | 354,312 | 291,972 | 225,374 | 340,201 | 388,197 | 543,359 | 2,941,273 |

Over the 11-year period, there were a total of 368,253 loan applications in Clackamas County. This represents 12.5 percent of total loan applications statewide. Multnomah County had 22.3 percent of total loans statewide and Washington County had 15.2 percent of total loans statewide.

There were a total of 129,357 home purchase loans in Clackamas County, which comprised 11.7 percent of home purchase loans statewide. This compares to 21.1 percent home purchase loans in Multnomah County and 16.2 percent in Washington County.

Of the 129,357 home purchase loan applications in Clackamas County, 93 percent, or 120,692, were for primary residence or owner-occupied year-round housing. These data are presented in Table C-10.

Owner-occupied loan applications in Clackamas County comprised 12.2 percent of the total statewide. This compares to 21.2 percent owner-occupied loan applications in Multnomah County, and 16.9 percent in Washington County. Owner-occupied loan applications in Clackamas County have been increasing at an annual rate of 6.5 percent over the 11 year period. This compares to an annual rate of increase of 9.8 percent statewide.

Table C-10. Home Purchase Loan Applications (AIFH Table IV.13)

| Geography | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Clackamas County | | | | | | | | | | | | |
| Home Purchase | 7,520 | 8,314 | 8,775 | 9,646 | 10,966 | 12,697 | 12,425 | 11,858 | 12,415 | 12,024 | 14,052 | 120,692 |
| % of Oregon | 15.64 | 14.52 | 13.96 | 12.65 | 12.31 | 11.49 | 11.14 | 10.96 | 12.10 | 11.45 | 11.51 | 12.15 |
| Other | 394 | 417 | 582 | 751 | 1,005 | 1,151 | 687 | 724 | 794 | 987 | 1,173 | 8,665 |
| Total | 7,914 | 8,731 | 9,357 | 10,397 | 11,971 | 13,848 | 13,112 | 12,582 | 13,209 | 13,011 | 15,225 | 129,357 |
| Multnomah County | | | | | | | | | | | | |
| Home Purchase | 12,377 | 14,341 | 15,240 | 17,543 | 17,875 | 21,796 | 21,602 | 21,051 | 21,293 | 21,942 | 25,245 | 210,305 |
| % of Oregon | 25.75 | 25.05 | 24.24 | 23.01 | 20.07 | 19.72 | 19.37 | 19.45 | 20.75 | 20.89 | 20.67 | 21.17 |
| Other | 1,082 | 1,284 | 1,687 | 2,150 | 2,600 | 2,484 | 1,808 | 1,967 | 1,901 | 2,648 | 3,548 | 23,159 |
| Total | 13,459 | 15,625 | 16,927 | 19,693 | 20,475 | 24,280 | 23,410 | 23,018 | 23,194 | 24,590 | 28,793 | 233,464 |
| Washington County | | | | | | | | | | | | |
| Home Purchase | 9,438 | 10,325 | 11,327 | 13,064 | 14,599 | 17,090 | 17,338 | 17,690 | 17,900 | 18,142 | 21,119 | 168,032 |
| % of Oregon | 19.63 | 18.04 | 18.01 | 17.14 | 16.39 | 15.46 | 15.55 | 16.34 | 17.44 | 17.28 | 17.29 | 16.91 |
| Other | 685 | 776 | 978 | 1,248 | 1,474 | 1,387 | 767 | 861 | 983 | 1,164 | 1,455 | 11,778 |
| Total | 10,123 | 11,101 | 12,305 | 14,312 | 16,073 | 18,477 | 18,105 | 18,551 | 18,883 | 19,306 | 22,574 | 179,810 |
| State of Oregon | | | | | | | | | | | | |

| Geography | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|---------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Home Purchase | 48,074 | 57,243 | 62,879 | 76,226 | 89,060 | 110,549 | 111,532 | 108,231 | 102,616 | 105,015 | 122,133 | 993,558 |
| Other | 4,003 | 4,741 | 7,819 | 8,901 | 11,684 | 13,742 | 9,233 | 10,406 | 10,792 | 14,695 | 17,610 | 113,626 |
| Total | 52,077 | 61,984 | 70,698 | 85,127 | 100,744 | 124,291 | 120,765 | 118,637 | 113,408 | 119,710 | 139,743 | 1,107,184 |

Source: Home Mortgage Disclosure Act Data

More detailed information about loan applications by type of loan are presented in Table C.3, in Appendix C of the Analysis of Impediments to Fair Housing.

Loan applications for the purchase of owner-occupied units were separated into six types of actions taken. “Originated” indicates that the loan was made by the lending institution. “Approved but not accepted” represents loans approved by the lender but not accepted by the applicant, which generally occurs if better terms are found with another lender. “Application denied by financial institution” defines a situation where the loan application failed. “Application withdrawn by applicant” means that the applicant closed the application process. “File closed for incompleteness” means that the loan application process was closed by the institution due to incomplete information. “Loan purchased by the institution” indicates that the previously originated loan was bought on the secondary market.

Of 120,692 owner-occupied loan applications in Clackamas County, 66,620 were originated and another 15,450 were denied. Considering just these two types of actions, and the implications for Clackamas County's residents is one of two primary purposes of the investigation of HMDA data presented in this document. The overall denial rate in Clackamas County over the 1993-2003 period was some 18.8 percent compared to 20.8 percent statewide. Both Multnomah and Washington counties had overall average denial rates of 16.1 and 13.2 percent respectively. This data is presented in Table C-11.

Table C-11. Denial Rates on Home Loan Applications: Owner-Occupied Homes (AIFH Table IV.14)

| Application Action | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|-------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|---------|
| Clackamas County | | | | | | | | | | | | |
| Loan Originated | 5,168 | 5,420 | 5,186 | 5,236 | 5,781 | 6,662 | 6,281 | 5,923 | 6,824 | 6,689 | 7,450 | 66,620 |
| Application Denied | 1,011 | 1,041 | 1,341 | 1,457 | 1,617 | 1,851 | 1,707 | 1,650 | 1,307 | 1,123 | 1,345 | 15,450 |
| Denial Rate | 16.36 | 16.11 | 20.55 | 21.77 | 21.86 | 21.74 | 21.37 | 21.79 | 16.07 | 14.38 | 15.29 | 18.83 |
| Multnomah County | | | | | | | | | | | | |
| Loan | 8,910 | 9,566 | 8,974 | 9,874 | 9,979 | 11,912 | 11,495 | 11,160 | 12,470 | 12,773 | 13,578 | 120,691 |

| Application Action | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Originated | | | | | | | | | | | | |
| Application Denied | 1,383 | 1,534 | 2,145 | 2,299 | 2,201 | 2,722 | 2,564 | 2,550 | 1,810 | 1,734 | 2,265 | 23,207 |
| Denial Rate | 13.44 | 13.82 | 19.29 | 18.89 | 18.07 | 18.60 | 18.24 | 18.60 | 12.68 | 11.95 | 14.30 | 16.13 |
| Washington County | | | | | | | | | | | | |
| Loan Originated | 6,957 | 7,185 | 7,323 | 7,790 | 8,650 | 9,960 | 9,806 | 9,797 | 10,545 | 10,521 | 11,532 | 100,066 |
| Application Denied | 907 | 876 | 1,175 | 1,349 | 1,530 | 1,781 | 1,756 | 1,765 | 1,274 | 1,221 | 1,571 | 15,205 |
| Denial Rate | 11.53 | 10.87 | 13.83 | 14.76 | 15.03 | 15.17 | 15.19 | 15.27 | 10.78 | 10.40 | 11.99 | 13.19 |
| State of Oregon | | | | | | | | | | | | |
| Loan Originated | 33,111 | 36,961 | 36,634 | 40,972 | 47,803 | 56,881 | 55,705 | 53,538 | 57,005 | 58,470 | 64,947 | 542,027 |
| Application Denied | 6,149 | 7,020 | 10,039 | 12,635 | 14,915 | 19,742 | 19,807 | 17,988 | 11,864 | 10,016 | 11,812 | 141,987 |
| Denial Rate | 15.66 | 15.96 | 21.51 | 23.57 | 23.78 | 25.77 | 26.23 | 25.15 | 17.23 | 14.62 | 15.39 | 20.76 |

Source: Home Mortgage Disclosure Act Data

Denial rates over the 11-year history have followed similar trends in the three counties and statewide. Denial rates in Clackamas County were 16.4 percent in 1993, and peaked to more than 21 percent between 1995 and 2000. Denial rates have been declining since reaching 15.3 percent in 2003. While denial rates in Multnomah County declined to 14.3 percent from the highs during mid- and late 1990s, the 2003 denial rate at 14.3 percent is still higher than the 1993 rate of 13.4 in 1993. Denial rates in Washington County and Oregon also have gone back to rates seen in the early 1990s. The gender denial rates are presented in Table C-12.

Table C-12. Denial Rates on Home Loan Applications: Owner-Occupied Homes by Gender (AIFH Table IV.16)

| Gender | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Clackamas County | | | | | | | | | | | | |
| Male | 15.99 | 15.43 | 19.68 | 20.65 | 20.11 | 18.96 | 19.03 | 18.14 | 13.75 | 12.46 | 14.59 | 17.19 |
| Female | 16.06 | 18.11 | 24.12 | 24.86 | 23.70 | 23.59 | 25.06 | 27.88 | 17.78 | 17.22 | 16.10 | 21.14 |
| Total | 16.36 | 16.11 | 20.55 | 21.77 | 21.86 | 21.74 | 21.37 | 21.79 | 16.07 | 14.38 | 15.29 | 18.83 |
| Multnomah County | | | | | | | | | | | | |
| Male | 13.60 | 13.78 | 20.10 | 18.14 | 16.77 | 17.26 | 17.36 | 16.93 | 11.38 | 11.67 | 14.05 | 15.56 |

| Gender | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Female | 12.10 | 13.18 | 17.15 | 19.52 | 18.28 | 17.52 | 17.74 | 18.91 | 12.22 | 11.75 | 14.16 | 15.58 |
| Total | 13.44 | 13.82 | 19.29 | 18.89 | 18.07 | 18.60 | 18.24 | 18.60 | 12.68 | 11.95 | 14.30 | 16.13 |
| Washington County | | | | | | | | | | | | |
| Male | 11.08 | 10.46 | 13.56 | 13.66 | 13.55 | 13.40 | 14.01 | 13.50 | 9.81 | 9.19 | 11.02 | 12.15 |
| Female | 12.14 | 11.10 | 15.00 | 18.57 | 18.66 | 17.41 | 16.97 | 16.89 | 11.10 | 11.87 | 13.51 | 14.73 |
| Total | 11.53 | 10.87 | 13.83 | 14.76 | 15.03 | 15.17 | 15.19 | 15.27 | 10.78 | 10.40 | 11.99 | 13.19 |
| State of Oregon | | | | | | | | | | | | |
| Male | 15.48 | 15.40 | 21.17 | 22.21 | 22.15 | 23.87 | 24.91 | 21.81 | 14.18 | 13.01 | 14.56 | 19.26 |
| Female | 14.67 | 16.80 | 22.91 | 27.19 | 26.39 | 27.70 | 28.48 | 26.85 | 17.16 | 15.83 | 16.27 | 22.04 |
| Total | 15.66 | 15.96 | 21.51 | 23.57 | 23.78 | 25.77 | 26.23 | 25.15 | 17.23 | 14.62 | 15.39 | 20.76 |

Source: Home Mortgage Disclosure Act Data

Table C-13 presents denial data by race. In terms of racial issues, blacks, American Indians/Pacific Islanders and Hispanics in Clackamas County had the highest denial rates, 33.2 percent, 30.8 percent and 28.6 percent respectively over the 11-year period. It topped 47.5 percent in 1998. These three minority groups had similarly high denial rates in Multnomah and Washington counties, as well as statewide. Asians had the lowest denial rate in all these areas, with an average of 14.1 percent in Clackamas County.

Table C-13. Denial Rates on Home Loan Applications: Owner-Occupied Homes by Race (AIFH Table IV.17)

| Race | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Clackamas County | | | | | | | | | | | | |
| American Indian/Alaskan Native | 12.00 | 25.58 | 33.33 | 23.81 | 57.78 | 27.50 | 37.21 | 36.00 | 30.43 | 31.43 | 16.98 | 30.75 |
| Asian or Pacific Islander | 15.65 | 11.90 | 13.97 | 13.92 | 12.44 | 13.97 | 12.30 | 20.80 | 13.89 | 10.00 | 14.50 | 14.08 |
| Black | 13.64 | 20.83 | 46.43 | 20.59 | 38.64 | 34.15 | 29.03 | 47.17 | 45.16 | 30.23 | 17.39 | 33.18 |
| Hispanic | 17.07 | 25.71 | 36.36 | 35.09 | 29.07 | 29.82 | 31.86 | 29.41 | 24.23 | 24.88 | 28.57 | 28.56 |
| White | 15.87 | 15.62 | 20.15 | 20.73 | 20.13 | 19.32 | 19.80 | 19.06 | 13.72 | 13.11 | 14.07 | 17.40 |
| Other | 48.98 | 22.22 | 35.56 | 41.76 | 28.30 | 39.68 | 33.98 | 35.87 | 23.53 | 12.94 | 18.75 | 31.00 |
| Total | 16.36 | 16.11 | 20.55 | 21.77 | 21.86 | 21.74 | 21.37 | 21.79 | 16.07 | 14.38 | 15.29 | 18.83 |

| Race | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Multnomah County | | | | | | | | | | | | |
| American Indian/Alaskan Native | 13.21 | 19.12 | 36.67 | 33.33 | 29.33 | 39.53 | 16.87 | 32.14 | 27.54 | 13.16 | 18.33 | 26.42 |
| Asian or Pacific Islander | 11.20 | 13.88 | 13.30 | 12.30 | 12.09 | 13.30 | 16.43 | 15.89 | 11.53 | 13.45 | 14.96 | 13.58 |
| Black | 22.95 | 17.83 | 29.25 | 30.27 | 25.77 | 29.73 | 27.15 | 31.23 | 26.45 | 23.66 | 25.00 | 26.41 |
| Hispanic | 20.38 | 21.56 | 24.33 | 24.42 | 20.24 | 22.01 | 23.70 | 21.11 | 15.90 | 19.33 | 22.50 | 21.11 |
| White | 12.77 | 13.09 | 19.04 | 17.75 | 16.48 | 16.40 | 16.73 | 16.51 | 10.76 | 10.72 | 12.88 | 14.78 |
| Other | 26.47 | 23.60 | 29.51 | 37.17 | 21.77 | 28.74 | 26.47 | 24.70 | 14.62 | 12.12 | 14.10 | 23.80 |
| Total | 13.44 | 13.82 | 19.29 | 18.89 | 18.07 | 18.60 | 18.24 | 18.60 | 12.68 | 11.95 | 14.30 | 16.13 |
| Washington County | | | | | | | | | | | | |
| American Indian/Alaskan Native | 24.24 | 9.09 | 11.54 | 33.33 | 35.90 | 43.59 | 23.53 | 33.33 | 24.24 | 9.68 | 10.64 | 24.01 |
| Asian or Pacific Islander | 12.06 | 9.24 | 14.55 | 12.40 | 9.54 | 9.07 | 12.88 | 11.96 | 9.06 | 10.30 | 9.93 | 10.83 |
| Black | 10.53 | 7.58 | 22.22 | 26.47 | 21.28 | 20.00 | 24.00 | 24.00 | 17.02 | 13.21 | 26.15 | 20.20 |
| Hispanic | 20.11 | 19.03 | 19.69 | 24.16 | 23.09 | 23.80 | 19.33 | 19.16 | 14.91 | 15.75 | 22.75 | 19.90 |
| White | 10.77 | 10.39 | 13.55 | 13.84 | 13.95 | 13.82 | 14.41 | 13.54 | 9.40 | 9.42 | 10.72 | 12.19 |
| Other | 30.95 | 19.10 | 20.59 | 27.54 | 17.04 | 20.39 | 17.68 | 22.28 | 16.56 | 12.18 | 10.85 | 18.43 |
| Total | 11.53 | 10.87 | 13.83 | 14.76 | 15.03 | 15.17 | 15.19 | 15.27 | 10.78 | 10.40 | 11.99 | 13.19 |
| State of Oregon | | | | | | | | | | | | |
| American Indian/Alaskan Native | 22.07 | 27.97 | 36.93 | 40.40 | 34.37 | 39.97 | 32.39 | 38.56 | 31.89 | 23.80 | 19.47 | 32.56 |
| Asian or Pacific Islander | 12.41 | 12.36 | 15.08 | 14.25 | 13.49 | 13.39 | 16.32 | 15.44 | 11.28 | 12.18 | 12.71 | 13.52 |
| Black | 21.35 | 17.56 | 30.67 | 32.22 | 29.98 | 31.39 | 30.07 | 33.49 | 28.41 | 21.66 | 25.33 | 27.94 |
| Hispanic | 25.69 | 27.33 | 36.35 | 35.64 | 34.09 | 36.68 | 35.64 | 30.78 | 22.03 | 22.03 | 25.13 | 29.91 |
| White | 14.85 | 15.27 | 21.00 | 22.37 | 22.43 | 23.84 | 25.04 | 21.45 | 13.99 | 13.10 | 14.09 | 19.09 |

| Race | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Other | 36.60 | 18.71 | 26.20 | 44.06 | 28.02 | 43.74 | 38.72 | 37.90 | 21.92 | 14.72 | 16.59 | 31.21 |
| Total | 15.66 | 15.96 | 21.51 | 23.57 | 23.78 | 25.77 | 26.23 | 25.15 | 17.23 | 14.62 | 15.39 | 20.76 |

Source: Home Mortgage Disclosure Act Data

Denial rates for minority groups, which peaked between 1999 and 2001, are still much higher than denial rates seen in 1993 in Clackamas County. While such high denial rates for some minorities do not conclusively prove that there may be problems in the lending markets, these statistics are of concern.

Table C-14 shows national data for home loan denials by race. Due to the sheer volume of information, data from just the years 2002 and 2003 were selected. In terms of racial categories, American Indians/Pacific Islanders had the highest denial rates during that two year period, at an average rate of 22.72 percent. This was followed closely by blacks at 22.14 percent and Hispanics at 17.27 percent.

Table C-14. Loan Action Taken on Owner-Occupied Home Loan Applications (AIFH Table IV.18)

| Race | Loan Originated | | Loan Denied | | Average Denial Rate | |
|--------------------------------|-----------------|-----------|-------------|-----------|---------------------|-------|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| American Indian/Alaskan Native | 18,752 | 17,850 | 6,553 | 7,375 | 20.66 | 22.72 |
| Asian or Pacific Islander | 206,909 | 240,407 | 28,070 | 39,823 | 9.68 | 11.37 |
| Black | 291,491 | 334,658 | 115,992 | 132,309 | 22.65 | 22.14 |
| Hispanic | 449,893 | 528,529 | 113,945 | 146,288 | 16.26 | 17.27 |
| White | 3,341,732 | 3,717,880 | 494,278 | 568,801 | 10.98 | 11.22 |
| Other | 68,810 | 65,893 | 11,477 | 16,464 | 11.44 | 15.49 |
| Total | 5,095,857 | 5,554,203 | 997,583 | 1,088,498 | 13.48 | 13.39 |

Source: Home Mortgage Disclosure Act Data

These national figures correspond to the data from Clackamas County as to which racial groups experience the highest rates of denial for home loans. The figures also compare similarly to those from Multnomah and Washington counties, as well as statewide. Clearly, higher loan denial rates for blacks, American Indians/Pacific Islanders and Hispanics are not merely a county-wide issue, but are part of a much larger, nationwide trend.

The opposite trend in denial rates was seen with a different minority group, Asian Americans. They had the lowest rate of denial nationally for any racial group, including whites, at a rate of 9.68 percent. The same was found to be true in Clackamas County, as well as Multnomah and Washington counties, and statewide. This would seem to indicate that loan denial is not necessarily rooted in a loan applicant's race, but perhaps due to other reasons.

At the state and county level, the data was further analyzed based on why the loans were denied. Table C-15 presents loan denial reasons, segmented by race and ethnicity for Clackamas County and the state of Oregon. While close to half of the records do not have a denial reason entered in the file because the data is not required, poor credit was the primary reason listed for loan denial both in Clackamas County and statewide. This was followed closely by an overload of debt. This implies a need for additional homebuyer education, particularly as it relates to the operation of the credit markets.

Table C-15. Denial Reasons by Race (AIFH Table IV.19)

| Denial Reason | Native American | Asian | Black | Hispanic | White | Other | Not Provided | Not Available | Total |
|-------------------------------|-----------------|-------|-------|----------|--------|-------|--------------|---------------|--------|
| Clackamas County | | | | | | | | | |
| Debt-to-income Ratio | 18 | 73 | 20 | 65 | 1,802 | 21 | 188 | . | 2,187 |
| Employment History | 2 | 9 | 3 | 10 | 214 | 1 | 18 | 1 | 258 |
| Credit History | 22 | 54 | 24 | 112 | 2,096 | 39 | 350 | 4 | 2,701 |
| Collateral | 5 | 9 | 10 | 16 | 531 | 8 | 62 | . | 641 |
| Insufficient Cash | 4 | 8 | 4 | 9 | 235 | 2 | 26 | . | 288 |
| Unverifiable Information | 3 | 9 | 2 | 8 | 185 | 2 | 21 | . | 230 |
| Credit Application Incomplete | 2 | 17 | 2 | 21 | 481 | 6 | 86 | . | 615 |
| Mortgage Insurance Denied | . | 1 | | 2 | 13 | . | 1 | . | 17 |
| Other | 12 | 38 | 18 | 43 | 1,006 | 15 | 164 | 4 | 1,300 |
| Missing Reason | 71 | 63 | 59 | 250 | 5,572 | 141 | 1,044 | 13 | 7,213 |
| Total | 139 | 281 | 142 | 536 | 12,135 | 235 | 1,960 | 22 | 15,450 |

| Denial Reason | Native American | Asian | Black | Hispanic | White | Other | Not Provided | Not Available | Total |
|-------------------------------|-----------------|-------|-------|----------|---------|-------|--------------|---------------|---------|
| Percent Missing Denial Reason | 51.08 | 22.42 | 41.55 | 46.64 | 45.92 | 60.00 | 53.27 | 59.09 | 46.69 |
| State of Oregon | | | | | | | | | |
| Debt-to-income Ratio | 173 | 631 | 252 | 1,026 | 14,335 | 217 | 1,769 | 12 | 18,415 |
| Employment History | 33 | 104 | 28 | 161 | 2,002 | 24 | 229 | 3 | 2,584 |
| Credit History | 298 | 504 | 421 | 1,493 | 17,597 | 440 | 2,994 | 12 | 23,759 |
| Collateral | 42 | 114 | 54 | 233 | 4,092 | 47 | 594 | 6 | 5,182 |
| Insufficient Cash | 19 | 78 | 31 | 162 | 1,874 | 30 | 261 | 0 | 2,455 |
| Unverifiable Information | 18 | 87 | 30 | 115 | 1,533 | 15 | 168 | 0 | 1,966 |
| Credit Application Incomplete | 33 | 153 | 63 | 267 | 4,188 | 43 | 707 | 5 | 5,459 |
| Mortgage Insurance Denied | 2 | 8 | 4 | 14 | 122 | 2 | 3 | 0 | 155 |
| Other | 86 | 373 | 155 | 614 | 7,844 | 160 | 1,249 | 19 | 10,500 |
| Missing Reason | 782 | 743 | 728 | 4,481 | 53,492 | 1,153 | 10,014 | 118 | 71,511 |
| Total | 1,486 | 2,795 | 1,766 | 8,566 | 107,079 | 2,131 | 17,988 | 175 | 141,986 |
| Percent Missing Denial Reason | 52.62 | 26.58 | 41.22 | 52.31 | 49.96 | 54.11 | 55.67 | 67.43 | 50.36 |

Source: Home Mortgage Disclosure Act Data

Denial rates for minority groups were further examined by level of income of the applicant. For households with incomes less than \$15,000, the average denial rate was 45.6 percent in Clackamas County. This compared to 52.7 percent statewide. While denial rates for most races cluster quite close to the average, blacks, Hispanics and

American Indians/Pacific Islanders had higher denial rates. Denial rates for these minority groups included households with incomes in excess of \$75,000. These data are presented in Table C-16. The data suggest that underwriting practices may contribute to discrimination against minorities.

*Table C-16. Denial Rates by Selected Income Categories and by Race
(AIFH Table IV.20)*

| Race | Less than \$15,000 | \$15,000-\$30,000 | \$30,000-\$45,000 | \$45,000-\$60,000 | \$60,000-\$75,000 | More than \$75,000 | Total |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------|
| Clackamas County | | | | | | | |
| American Indian/Alaskan Native | . | 47.69 | 40.16 | 23.30 | 24.24 | 16.88 | 30.75 |
| Asian or Pacific Islander | 50.00 | 31.25 | 15.76 | 14.32 | 8.15 | 12.43 | 14.08 |
| Black | 66.67 | 64.00 | 49.23 | 30.26 | 27.27 | 26.67 | 33.18 |
| Hispanic | 71.43 | 51.99 | 28.20 | 21.15 | 17.56 | 20.31 | 28.56 |
| White | 43.18 | 36.18 | 22.39 | 16.22 | 11.75 | 10.18 | 17.40 |
| Other | 71.43 | 58.33 | 35.03 | 35.62 | 20.69 | 10.81 | 31.00 |
| Total All Lenders | 45.62 | 39.46 | 23.94 | 17.46 | 12.72 | 10.86 | 18.83 |
| Multnomah County | | | | | | | |
| American Indian/Alaskan Native | 50.00 | 33.11 | 28.40 | 24.49 | 20.97 | 15.63 | 26.42 |
| Asian or Pacific Islander | 38.89 | 16.42 | 12.74 | 12.13 | 12.83 | 12.47 | 13.58 |
| Black | 57.69 | 32.35 | 25.89 | 23.95 | 21.41 | 21.08 | 26.41 |
| Hispanic | 58.00 | 30.69 | 19.81 | 16.32 | 16.50 | 15.93 | 21.11 |
| White | 42.00 | 23.59 | 16.01 | 13.59 | 10.72 | 9.22 | 14.78 |
| Other | 55.00 | 35.61 | 24.08 | 17.63 | 20.22 | 15.51 | 23.80 |
| Total All Lenders | 42.78 | 25.27 | 17.35 | 14.58 | 11.87 | 10.11 | 16.13 |

| Race | Less than \$15,000 | \$15,000-\$30,000 | \$30,000-\$45,000 | \$45,000-\$60,000 | \$60,000-\$75,000 | More than \$75,000 | Total |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------|
| Washington County | | | | | | | |
| American Indian/Alaskan Native | 100.00 | 44.19 | 29.89 | 29.25 | 8.62 | 8.51 | 24.01 |
| Asian or Pacific Islander | 40.00 | 20.49 | 13.14 | 10.22 | 9.92 | 7.85 | 10.83 |
| Black | | 30.51 | 27.78 | 19.62 | 16.36 | 15.58 | 20.20 |
| Hispanic | 63.64 | 38.94 | 18.74 | 16.15 | 15.76 | 13.09 | 19.90 |
| White | 37.71 | 26.65 | 15.39 | 11.46 | 8.91 | 7.76 | 12.19 |
| Other | 57.14 | 40.71 | 23.86 | 14.24 | 11.88 | 11.07 | 18.43 |
| Total All Lenders | 40.00 | 28.98 | 16.50 | 12.40 | 9.65 | 8.22 | 13.19 |
| State of Oregon | | | | | | | |
| American Indian/Alaskan Native | 61.67 | 46.18 | 33.66 | 26.90 | 20.09 | 15.98 | 32.56 |
| Asian or Pacific Islander | 41.04 | 20.70 | 14.56 | 12.10 | 10.93 | 10.25 | 13.52 |
| Black | 65.17 | 37.29 | 30.60 | 24.71 | 19.75 | 20.38 | 27.94 |
| Hispanic | 66.51 | 43.05 | 27.50 | 21.39 | 18.97 | 17.55 | 29.91 |
| White | 50.52 | 34.00 | 21.20 | 15.76 | 11.84 | 10.07 | 19.09 |
| Other | 66.41 | 50.77 | 34.57 | 25.51 | 17.95 | 14.15 | 31.21 |
| Total All Lenders | 52.71 | 36.51 | 22.92 | 17.02 | 12.81 | 10.80 | 20.76 |

Source: Home Mortgage Disclosure Act Data

Conclusions

Summary of Research Findings

The 2005 Fair Housing Survey

The survey contacted and interviewed 70 people familiar with housing and housing-related services in Clackamas County, and nine follow-up interviews with county and city building officials and planners. Survey findings indicate that additional education and outreach related to fair housing law and impediments to fair housing is desirable. Lastly, the content of responses imply that having a more uniform and consistent referral system for pursuing fair housing complaints would encourage a more active housing complaint process. Introducing a fair housing testing and enforcement mechanism in the Clackamas County would be welcomed by the interviewees. Sentiments expressed by several interview respondents cited land use policies, whether building or zoning in application that increase the cost of affordable housing, thus detracting from affirmatively furthering fair housing.

Some examples given were the increasing price of land, a lack of available land for building multi-family units, the lack of incentives or bonuses for those who build affordable housing, and overly restrictive building codes that require certain materials, such as energy efficient windows and thicker insulation. While helpful in conserving natural resources, these do not impact the health or safety of the building residents, and the cost burdens fall mostly on protected classes or persons, according to respondents of the interviews.

Several survey respondents also said that some cities within the county have dealt with some of these issues by making affordable housing a priority. For example, the city of Lake Oswego has formed an affordable housing task force. The city of Happy Valley is considering changing part of its zoning code to allow more affordable housing.

Home Mortgage Disclosure Act

Clackamas County has seen significant activity in the home lending market over the last 11 years, with nearly 370,000 loan applications. The denial rates for owner-occupied home loans are relatively low, just under 19 percent over the 11-year period. However, selected racial and ethnic minorities, chiefly blacks and Hispanics, have much higher denial rates, even when normalized for income. This may limit fair housing choice for some householders. While these rates are slightly higher than Washington and Multnomah counties, they are lower than the state of Oregon in its entirety. The state's rate is also higher than that of the nation. As well, when home improvement loans are inspected by type of lending institution, the size of the loan, and consequent debt, for extremely low-income householders is significantly higher when made by sub-prime lenders. This may place some householders at risk of losing their homes to the sub-prime lender.

Impediments to Fair Housing Choice

During the course of the 2005 analysis, several impediments to fair housing choice were found to exist in Clackamas County. These impediments are attributable, with varying degrees of severity, to various aspects of the housing and housing service provider industries, such as rental markets, credit and lending practices, outreach and education effectiveness, and housing service provider coordination. While these groups are interrelated, they have been separated into four general categories. Each will be discussed in more detail below and, while all are of concern, they are ranked by general level of importance, from most to least.

Organizational Structure

Some portions of the existing organizational structure that delivers fair housing services in Clackamas County may at times be an impediment to fair housing choice, based on data gathered and findings of analysis conducted during the AI research. For the purposes of this document, the term “organizational structure” refers to how fair housing services are delivered to citizens of the county, whether provided by Clackamas County government, Legal Aid Services of Oregon, HUD, or other regional fair housing agencies operating in the metropolitan area and state as a whole. This organizational structure has led to uncoordinated, less effective fair housing activities, including outreach and education, enforcement, and testing, as described below.

The Clackamas County CDD, the agency responsible for the Analysis of Impediments, provides counseling and referral for fair housing issues by way of a contract between the Social Services and Community Development Divisions and through the Clackamas County Department of Human Services, Community Action Agency (CAA). In its fair housing activities, the CAA may refer a client to an attorney or to HUD. However, the focus of this effort – referral and counseling – appears to be somewhat narrow.

Legal Aid Services of Oregon (LASO) provides legal assistance to low-income individuals and advocates for individual clients and as a class to assure indirect benefits as mandated by the law with regard to housing discrimination. The LASO operates a regional office in Oregon City, but does not have the resources to conduct a comprehensive program for fair housing.

The Fair Housing Council of Oregon (FHCO) is a statewide civil rights organization whose mission is to eliminate housing discrimination through enforcement and education. FHCO is a non-profit corporation.³⁹ The FHCO receives funding from HUD for many of their activities, but such activities are limited in Clackamas County. The FHCO typically refers callers to the Clackamas County CAA in cases occurring in Clackamas County.

The United States Department of Housing and Urban Development oversees, administers, and enforces the Fair Housing Act. The Office of Fair Housing and Equal Opportunity (FHEO) of HUD is responsible for administration of fair housing programs and for processing fair housing complaints. The Civil Rights Division of the U.S. Department of Justice is responsible for litigating on behalf of HUD in select cases of fair housing violations.

HUD maintains an office in Portland, Oregon, that coordinates a variety of agency programs, including some fair housing activities. For example, the office provides information to persons interested in fair housing and investigates fair housing complaints. However, the office does not directly handle fair housing complaints, but refers them to the Seattle regional office. Results of the analysis of complaint activity lodged with HUD over the last eleven years indicate that housing complaints are scant, the opposite of state and national trends. This implies a barrier to using a fair housing complaint system.

According to a survey of housing experts conducted for the AI, substantial confusion as to where referrals should be sent exists at many other levels as well. Furthermore, the confusion in the existing referral system may discourage pursuit of a fair housing complaint, leading to the existence of a small incidence of complaint data.

Consequently, AI findings indicate that fair housing entities working within Clackamas County tend to lack a sound, uniform and consistent referral system for prospective discrimination victims and potential violations of fair housing law. Hence, it appears that citizens living in Clackamas County do not have the same access to fair housing testing and enforcement mechanisms as those living in nearby counties.

The Fair Housing Council of Oregon has the capacity to provide an array of fair housing services, but lacks any formal relationship to do so in Clackamas County. Besides Legal Aid of Oregon, no local avenue is open to persons who wish to move forward with alleged violations of housing law in Clackamas County.

Even though current statistics are scant, it appears that violations of fair housing law are occurring in Clackamas County. This is evidenced by information from HUD complaints, the Fair Housing Council and a phone survey of 70 people within the county who are knowledgeable about housing issues.

According to opinions expressed in the AI survey of experts, education and outreach, a key and necessary part of any set of fair housing efforts, is not providing the level of knowledge necessary for responsible housing providers and may be falling short for the general public as well. As demonstrated in the telephone interviews, knowledge of fair housing laws is less than desirable and outreach and education needs much more attention.

Issues attributable to lack of knowledge and understanding of fair housing laws, including provisions of the ADA, lead to many misinterpretations and miscommunications. This includes restrictive advertising, discriminatory terms and conditions during rental transactions, failure to make reasonable accommodation, and a variety of other discriminatory actions.

This also includes construction of new housing facilities. These imbalances in the fair housing system include the notion that county government lacks adequate resources to enforce fair housing code compliance or lacking the capacity to inspect housing for safety and health violations, which typically occur in lower income households.

Hence, access to the fair housing complaint system is limited, as is the consequence of a housing complaint, enforcement activity and testing. Further, the capacity to engender an enhanced understanding of fair housing law is lacking. Resources devoted by the CDD and other fair housing entities operating in the county do not appear to be coordinated in such a fashion as to be most effective.

Confusion with ADA and Fair Housing Law

During the course of the analysis, a series of interviews was conducted with various building officials, planners, and other government employees, both at the county and city level. Based on the data gathered, there tends to be a general lack of understanding as to when the Fair Housing Act applies and when the Americans with Disabilities Act is applicable. Issues attributable to lack of knowledge and understanding of fair housing laws, including provisions of the ADA, lead to many misinterpretations and miscommunications. Of late, these misunderstandings and lack of knowledge are most often seen in new construction, leading to an impediment to fair housing choice for disabled citizens.

The Americans with Disabilities Act, Title II and III, covers public services and places of public accommodation. It states that all new commercial buildings constructed for occupancy after January 26, 1992 must be made accessible to people with disabilities. This includes facilities such as hotels, grocery stores, government buildings (including government run housing), service establishments, schools, movie theaters and recreational facilities.

The Fair Housing Act disability provision covers multi-family residential housing constructed for first-time occupancy after March 1991. It also states that landlords cannot refuse to let tenants make reasonable modifications to their dwelling or common use areas built before 1991, at the tenant's expense, if it is necessary for them to use the housing.

These requirements can often be confusing, not only to the general public, but to building officials, developers, community planners and other officials who are supposed to make sure the rules are being followed. The terms "ADA compliance" and "fair housing compliance" are used interchangeably, even though these are two different laws. Other research indicates that this is not only an issue within various government entities, but also with housing advocates at the state and federal level.

By no means is this issue limited to Clackamas County government or the various cities within the county. It is evident at the state and national level. Project Civic Access, a compliance review undertaken by the Department of Justice (DOJ), investigated different cities in all 50 states, the District of Columbia and Puerto Rico. The DOJ began the project in 1999 to see whether the nation was complying with Title II and III of the ADA, referenced above. By 2005, the DOJ eventually reached 134 settlement agreements with 128 different cities.

According to the compliance review, the participants were cooperative and forthcoming with the information, but there was a lack of understanding of the law, which led to the need for widespread modifications.

Confusion regarding requirements of the FHA was evident at the federal level as well, according to the research gathered from the National Council on Disability (NCD). The NCD is an independent federal agency making recommendations to the President and Congress on issues affecting Americans with disabilities.

In a study titled “Reconstructing Fair Housing,” it stated that administrative enforcement of civil rights was hampered by a misunderstanding of the laws and by the failure of Congress and HUD to provide the level of resources that effective enforcement requires. The report also stated that inconsistent and inadequate funding has caused some specific problems at HUD, especially concerning special government initiatives. However, the bigger problem, according to the study, has been the failure of HUD to provide consistent national leadership and management of a fair enforcement process. This, the study says, results in people with disabilities enduring illegal housing discrimination in many different ways. These include inaccessible housing, stereotypes about the ability to live alone, or the inability to get modifications in rules or policies that have historically excluded people with disabilities.

City, County, and State Policies

Assessment of census data determined that there exist disproportionate rates of minority racial and ethnic concentrations, as well as concentrations of low-income and disabled households, in selected areas of the county. There also appears to be some correlation between areas with high concentrations of disabled households and areas of low-income concentration. Further, these latter areas tend to correspond with major transportation corridors. This is neither a positive or negative conclusion, as those who are disabled are more likely to rely on public transportation, which is more readily available near major transportation corridors.

However, responses to the telephone interviews cast doubts upon the equity of prospective land use controls and selected public policies. Additional inquiries with planners and building officials at the county and city level indicated that some land use practices and public policies contribute to land costs that cause housing prices to be prohibitive for many. Some examples for the increasing price of land were a lack of available land for the construction of multi-family units, the lack of incentives or bonuses for those who build affordable housing, and overly restrictive building codes that require certain materials, such as energy efficient windows and thicker insulation. While some of these tend to be socially desirable, such as conserving natural resources, the cost burdens fall mostly on protected classes of persons, according to respondents of the interviews.

Clackamas County government has had provisions in its zoning code since 1980 that allow an increase in density if affordable housing is provided. This is referred to as a density bonus, or land use incentive, that allows a developer to construct more units than would otherwise be allowed in a specified residential zone in exchange for the more affordable housing units. The percentage increase in density varies with the Comprehensive Plan category. For low-density, single family homes, there is an incentive increase up to 5 percent. Medium or high density multi-family zones have an incentive increase of up to 8 percent.

Mortgage Lending Markets

Evaluation of Home Mortgage Disclosure Act Information indicates two prospective problems in the county. First, selected minorities have relatively high home purchase loan denial rates and may be missing out on acquiring homeownership, particularly black and Hispanic householders. Secondly, the potential for risky lending behavior is high for extremely low-income householders making use of sub-prime lenders. A sub-prime lender gives loans to borrowers who do not qualify for loans from conventional lenders.

Since minority Asian populations are experiencing relatively low denial rates, often lower than other races, the degree of racial or ethnic bias in the credit markets is likely to be limited. However, the outcome of the operation of these credit markets for black and Hispanic householders, culminating in a home loan denial, should concern policy makers and others concerned with fair housing in Clackamas County. The same is true for those low-income householders accepting undue debt to perform home improvements.

Actions for the Clackamas County Community Development Division to Consider

Within each of the four broad impediment categories, Clackamas County CDD can consider taking selected actions over the next several years. However, the problem is significantly greater than the authority vested in the Community Development Division or the resources available to the CDD, and some of the actions are the responsibility of HUD, state government, or other fair housing agencies. Nevertheless, the following represents the prospective actions, segmented by category.

Organizational Structure

1. The CDD should consider reallocating and/or expanding fair housing resources to better serve the needs of the citizens of Clackamas County. Specific actions to consider are below.
 - a. The Community Development Division should incorporate a testing and enforcement component to the county's fair housing system by providing funding to a third-party agency to conduct testing and enforcement.
 - b. The CDD should prepare a uniform and consistent fair housing referral policy, accomplished through cooperation and coordination with the active fair housing entities in Clackamas County.
 - c. The CDD should expand fair housing education and outreach by:
 - i. Broadening education and outreach methods
 - ii. Soliciting participation by construction trades and building inspectors
2. The CDD should vest authority in a county government agency to better conduct housing and home inspecting for fair housing compliance.
3. The CDD should formalize a fair housing planning process, perhaps as a component to the Consolidated Plan for Housing and Community Development. The purpose of such a process would be to gain the participation and

commitment of active fair housing entities to pursue a uniform and coordinated effort to affirmatively further fair housing.

- a. The CDD should gain a consensus on the best approaches for delivering fair housing services in the most cost effective fashions.
- b. Through this process, the CDD will gain access to best practices seen elsewhere in the region.

Fair housing and disability law confusion

1. The CDD should attempt to decrease confusion regarding the Fair Housing Act and Americans with Disabilities Act through education of new employees in the departments that deal with building and construction of residential buildings.
2. The CDD should review current literature on both laws to ensure current construction is in compliance with federal laws.
3. The CDD should create a short reference sheet that has the differences between the two laws and when these apply. Make these available for the following agencies and individuals:
 - a. Builders and developers of multi and single family homes.
 - b. Realtors, leasing agents and landlords.
 - c. Employees in the planning and building departments.

City, County, and State Policies

1. The CDD should convene a process to inspect zoning and land use regulations that adversely affect fair housing choice or lead to unwanted disproportionate concentrations of selected populations.
2. The CDD should review building codes to identify alternatives that can lower the cost of the provision of affordable housing.
3. The CDD should inventory best practices seen in other jurisdictions to discover alternative methods for lowering the cost of affordable housing units, such as:
 - a. Methods of creating affordable housing trust funds
 - b. Equity concerns related to waiver of system development charges
 - c. Contract purchase or bulk negotiation for construction and building materials

Mortgage Lending Markets

1. Oversight of the mortgage lending community is beyond the authority of Clackamas County government. However, educating people about how credit can impact them is needed. This can be done both at the county and state level through the public school system, Fair Housing Council of Oregon and the county's Community Development Department. The specific type of outreach effort or educational material would be left up to the discretion of the individual agencies. The following are general steps suggested to help consumers:
 - a. The CDD should increase outreach and education to prospective homeowners through:
 - i. Enhanced home buyer training

- ii. A high school training program on how credit markets can best work for the consumer
 - b. The CDD should better inform consumers of the advantages and disadvantages of using credit from sub-prime lenders.
- 2. The CDD should provide referral and counseling to householders seeking credit advice and support.