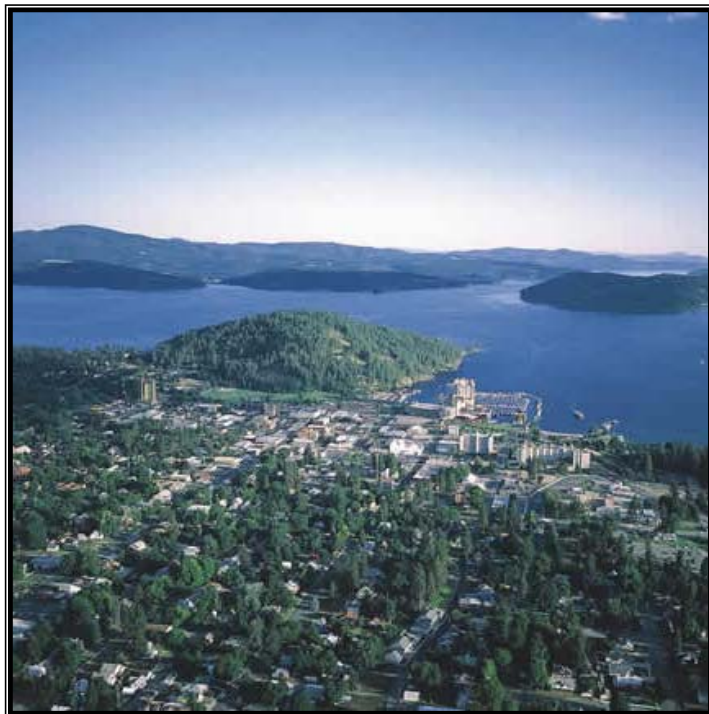


Final Report

2011 Analysis of Impediments to Fair Housing Choice

City of Coeur d'Alene, Idaho



Final Report

June 20, 2011

**2011 Analysis of Impediments
to Fair Housing Choice**

Prepared for

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SECTION I.
Introduction

SECTION I.

Introduction

In 2010, BBC Research & Consulting was contracted by the City of Coeur d'Alene to update the city's Analysis of Impediments to Fair Housing Choice (AI), with an emphasis on the city's housing market and overall affordability. The city's previous AI and housing market study were completed by BBC in 2007.

Fair Housing Act

The Federal Fair Housing Act, passed in 1968 and amended in 1988, prohibits discrimination in housing on the basis of race, color, national origin, religion, gender, familial status and disability. The Fair Housing Act covers most types of housing including rental housing, home sales, mortgage and home improvement lending, and land use and zoning. Excluded from the Act are owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a real estate agent or broker, housing operated by organizations and private clubs that limit occupancy to members, and housing for older persons.¹

HUD has the primary authority for enforcing the Fair Housing Act. HUD investigates the complaints it receives and determines if there is a "reasonable cause" to believe that discrimination occurred. If reasonable cause is established, HUD brings the complaint before an Administrative Law Judge. Parties to the action can also elect to have the trial held in a federal court (in which case the Department of Justice brings the claim on behalf of the plaintiff).²

Analysis of Impediments Overview

An Analysis of Impediments to Fair Housing Choice is a U.S. Department of Housing & Urban Development (HUD) mandated review of impediments to fair housing choice in the public and private sector. The AI is required for Coeur d'Alene to receive federal housing and community development block grant funding.³

The AI involves:

- A review of a city's laws, regulations, and administrative policies, procedures and practices;
- An assessment of how those laws, policies and practices affect the location availability and accessibility of housing; and
- An assessment of public and private sector conditions affecting fair housing choice.

¹ This is a very general description of the Fair Housing Act and the actions and properties covered by the Act. For more detailed information on the Fair Housing Act, please see the full text, which can be found on the U.S. Department of Justice's website, www.usdoj.gov/crt/housing/title8.htm.

² "How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws", The U.S. Department of Housing and Urban Development, Office of Policy and Research, April 2002.

³ The city is also required to submit a Consolidated Plan for Housing and Community Development and an annual performance report to receive CDBG funding each year. These reports were prepared separately from the AI and are available from the city.

According to HUD, impediments to fair housing choice are:

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

HUD guidance. HUD has recently released brief guidance to communities about the department's expectations of AIs. In this guidance, HUD clarifies that "affordable housing, in and of itself, is not an impediment to fair housing unless it creates an impediment to housing choice because of membership in a protected class." Despite this guidance, this report examines the presence and quality of affordable housing in Coeur d'Alene to ensure that its residents are able to find suitable housing.

HUD further defines fair housing choice as "the ability of persons of similar incomes to have available to them the same housing choices regardless of race, color, religion, sex, disability, familial status or national origin. Policies, practices or procedures that appear neutral on their face but operate to deny or adversely affect the provisions of housing to persons (in any particular protected class) may constitute such impediments."

Methodology

Data and information gathered for this report were collected both from existing data sources (secondary), as well as through a survey effort (primary) targeted towards Coeur d'Alene residents and stakeholders serving sensitive populations within the city.

Secondary data. A number of data sources and organizations were relied upon during the completion of this AI and housing market study to provide updated information on fair housing and overall housing affordability in Coeur d'Alene. These sources and organizations include the following:

- 2009 Census population estimates;
- 2007-2009 American Community Survey 3-year estimate (ACS);⁴
- 2010 Claritas, a private data provider;
- 2009 Home Mortgage Disclosure Act (HMDA) public loan data;
- Department of Housing and Urban Development (HUD) Income Limits;
- Idaho Housing and Finance Association (IHFA);
- Department of Justice Civil Rights Division; and
- National Fair Housing Advocate.

⁴The ACS also produces 1-year estimates for communities greater than 65,000 residents.

Primary data. A resident and stakeholder survey were conducted with two primary objectives:

- To help identify fair housing barriers associated with private market activity that may not be captured by quantitative research; and,
- To obtain updated resident and stakeholder input about the local housing market as it relates to housing costs, housing quality and housing satisfaction.

Both surveys were available in paper and online formats between December 15, 2010 and January 15, 2011. A total of 51 residents participated in the resident survey. A total of 27 stakeholders representing 20 organizations serving Coeur d'Alene residents participated in the stakeholder survey. Findings from the 2011 resident survey are compared with the findings from the survey conducted in 2007 when possible.

Report Outline

The remainder of the report is made up of the following sections:

- Section II. Demographic Analysis. This section provides information on population, income, race and ethnicity, familial status and disability to help understand the prevalence of persons protected under fair housing law.
- Section III. Housing Market Analysis. This section examines the current housing market, as well as overall affordability in the city. This section also compares the housing market in 2011 to the market in 2007, when BBC completed a similar study for the city. This section concludes updating recommendations from the 2007 housing market study.
- Section IV. Analysis of Impediments to Fair Housing Analysis. Section IV updates research used to analyze the presence of housing discrimination in the city. Information in this section includes a discussion of the resident and stakeholder surveys, a zoning and land use review,⁵ a review of affordable housing in Coeur d'Alene, a fair lending analysis and a legal analysis to better understand the types of fair housing legal cases that have occurred in and around Coeur d'Alene.
- Section V. Impediments and Fair Housing Action Plan. Section V first identifies fair housing impediments in Coeur d'Alene and then identifies a plan to address the impediments.

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SECTION II.

Demographic Analysis

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Demographic Analysis

This section contains an analysis of Coeur d'Alene's demographic composition and employment opportunities.

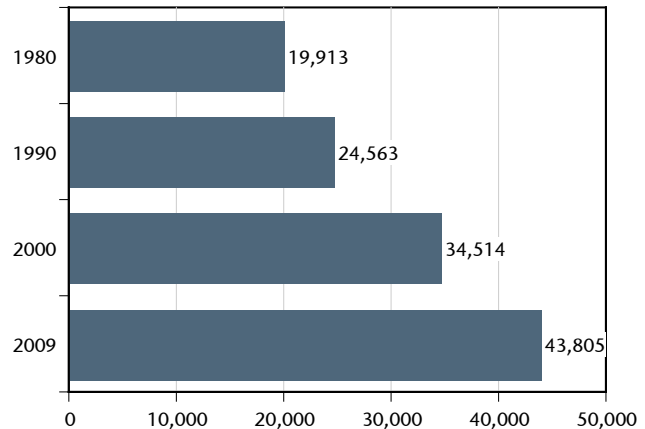
Demographics

The following section examines the prevalence of persons protected under fair housing law, as well as the geographic distribution of these residents within the city. Population, income, race and ethnicity, familial status and disability are examined in greater detail.

Population. Since 1980, Coeur d'Alene has added nearly 24,000 new residents for a 2009 population of 43,805. New residents have been attracted to the city in part by the city's physical beauty; its proximity to recreation and the lake; and the combination of urban amenities and small town atmosphere.¹ Since 1980, Coeur d'Alene's population has grown by 120 percent, which outpaced the State of Idaho's 64 percent population growth for the same time period.

Figure II-1.
Population Change, City of Coeur d'Alene, 1980 to 2009

Source:
U.S. Census (1980, 1990, 2000) and
Census Population Estimates (2009).

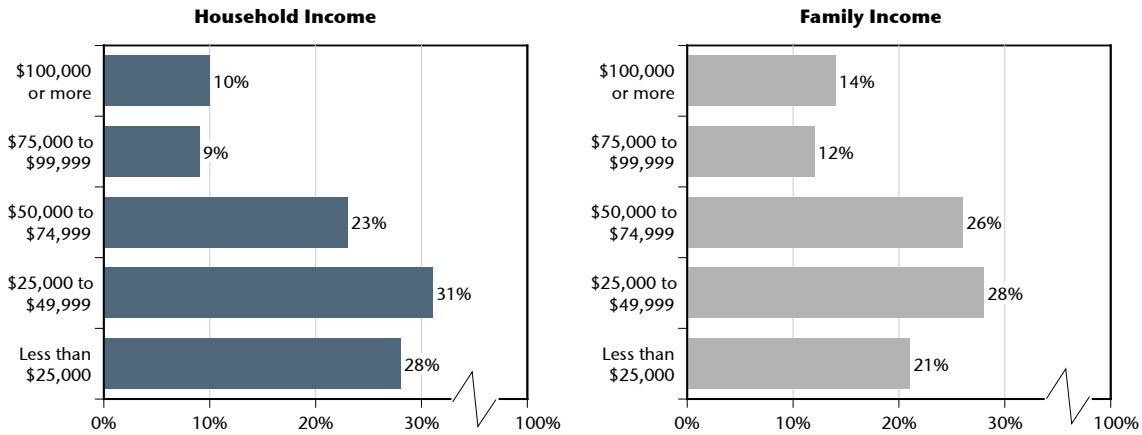


Income. The median *household* income in 2009 was \$40,931, indicating that half of the city's households earned more than \$40,931 and half earned less. The city's median *family* household was a higher \$51,427.

Figure II-2 displays the city's household and family income distributions in 2009. As seen in the figure, both household and family annual earnings are clustered between \$25,000 and \$75,000.

¹ 2011 Coeur d'Alene Resident Survey response to the question "What are the best things about living in Coeur d'Alene?"

Figure II-2.
Family and Household Income Distribution, Coeur d’Alene, 2009



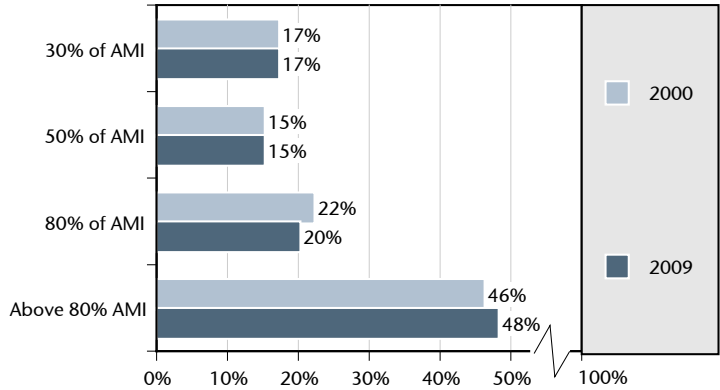
Source: 2007-2009 American Community Survey 3-year estimate.

Household income analysis for program planning purposes is based on the Median Income (MFI) as established by the U.S. Department of Housing and Urban Development. Figure II-3 compares the income distribution of households in 2000 and 2009 against HUD’s MFI. The 2000 MFI in Coeur d’Alene was \$44,700, and the 2009 MFI was \$55,100.² The following classifications were used: extremely low income (earning less than 30 percent of the MFI), low income (earning 31 to 50 percent of MFI), moderate income (earning 51 to 80 percent of MFI) and middle-/upper income (earning 81 percent and higher of MFI).

Since 2000, the percentage of extremely low-, low- and moderate income households remained unchanged. Conversely, the proportion of middle-/upper income households in the city grew.

Figure II-3.
Household Income by AMI, Coeur d’Alene, 2000 and 2009

Source: 2007-2009 American Community Survey 3-year estimate and HUD 2009 Income Limits.

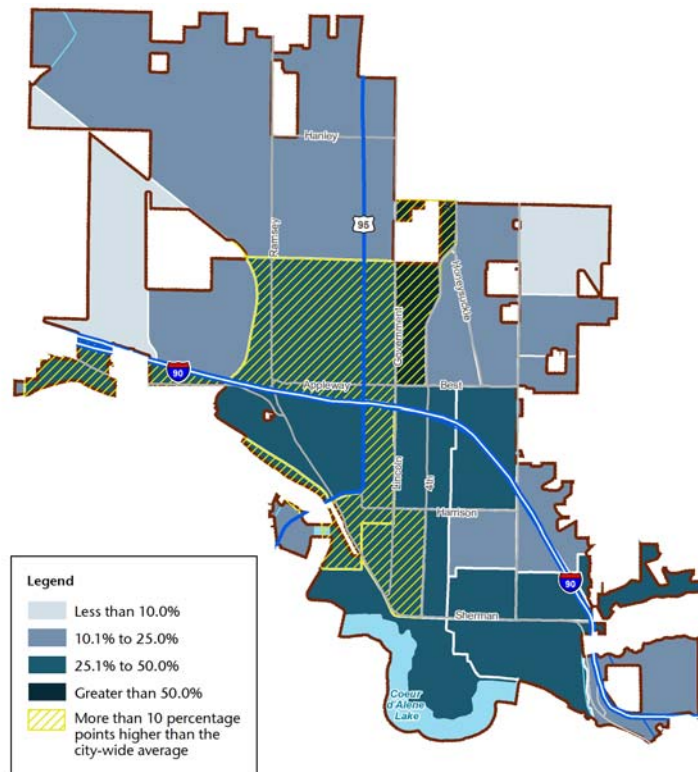


² The 2010 MFI for the Coeur d’Alene MSA was not used to stay consistent with demographic data used in this analysis.

Figure II-4 displays the percentage of low income households (households earning less than \$25,000 per year) by Census block group. Twenty-eight percent of the city’s households earn less than \$25,000 per year. The crosshatched block groups indicate geographic concentrations of low income residents. For the purposes of this study, concentrations are defined as areas with 10 percentage points or more than the city-wide average, which is consistent with HUD’s definition of disproportionate need.

Figure II-4.
Geographic Distribution of Low Income Households by Block Group, Coeur d’Alene, 2010

Source:
 Caritas 2010.



Race and ethnicity. One of the key components of fair housing analysis is an examination of the concentration of racial and ethnic minorities within a jurisdiction to detect evidence of segregation. In some cases, minority concentrations are a reflection of preferences—e.g., minorities may choose to live where they have access to grocery stores or restaurants that cater to them. In other cases, minority populations are intentionally steered away or discouraged from living in certain areas. Housing prices can also heavily influence where minorities live.

Coeur d’Alene lacks the racial and ethnic diversity seen in larger urban communities. Its population is primarily comprised of white and non-Hispanic residents. However, since 2000, the community has become more diverse, primarily due to the growth in the Hispanic population. In 10 years, the Hispanic population more than doubled in the city and now contributes 4 percent of the city’s population, compared with 2 percent in 2000.

**Figure II-5.
Population by Race and
Ethnicity, Coeur d'Alene,
2000 and 2009**

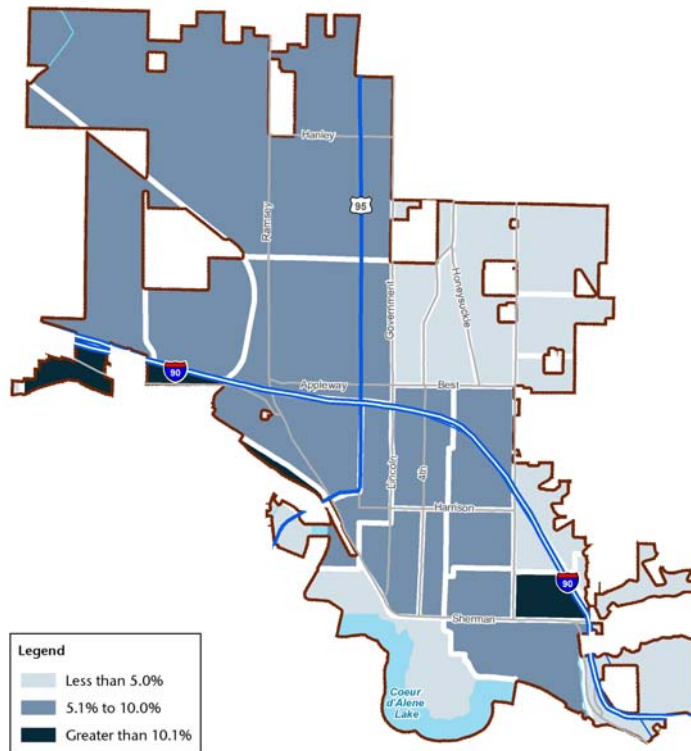
Source:
U.S. Census Bureau, 2000 and 2007-2009 American
Community Survey 3-year estimates.

	Number		Percent	
	2000	2009	2000	2009
Race				
African American	79	232	0%	1%
American Indian	303	449	1%	1%
Asian	239	60	1%	0%
Native Hawaiian	16	33	0%	0%
White	33,059	40,848	95%	95%
Some other race	290	109	1%	0%
Two or more races	799	1,225	2%	3%
Ethnicity				
Hispanic	755	1,778	2%	4%
Non-Hispanic	34,030	41,178	98%	96%

Figures II-6 through II-8 show where the city's largest minority groups are located within Coeur d'Alene. After applying the same definition of concentration used for low income households, no racial or ethnic concentrations were identified in Coeur d'Alene. Additionally, the city's minority residents are located throughout the city.

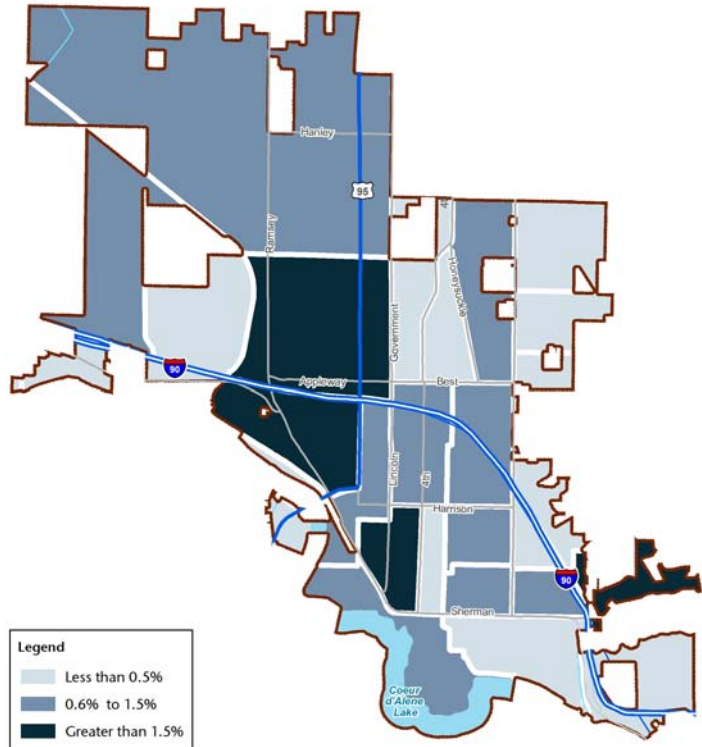
**Figure II-6.
Percent of Block Group
Population that is
Non-White by Block Group,
Coeur d'Alene, 2010**

Source:
Claritas 2010.



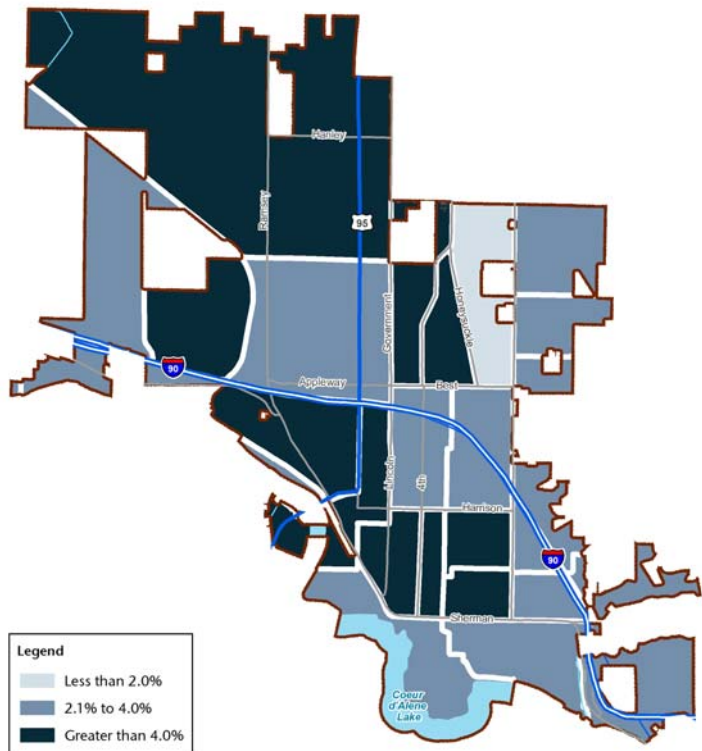
**Figure II-7.
Percent of Population that is
African American by Block
Group, Coeur d'Alene, 2010**

Source:
Claritas 2010.



**Figure II-8.
Percent of Population that
is Hispanic by Block Group,
Coeur d'Alene, 2010**

Source:
Claritas 2010.

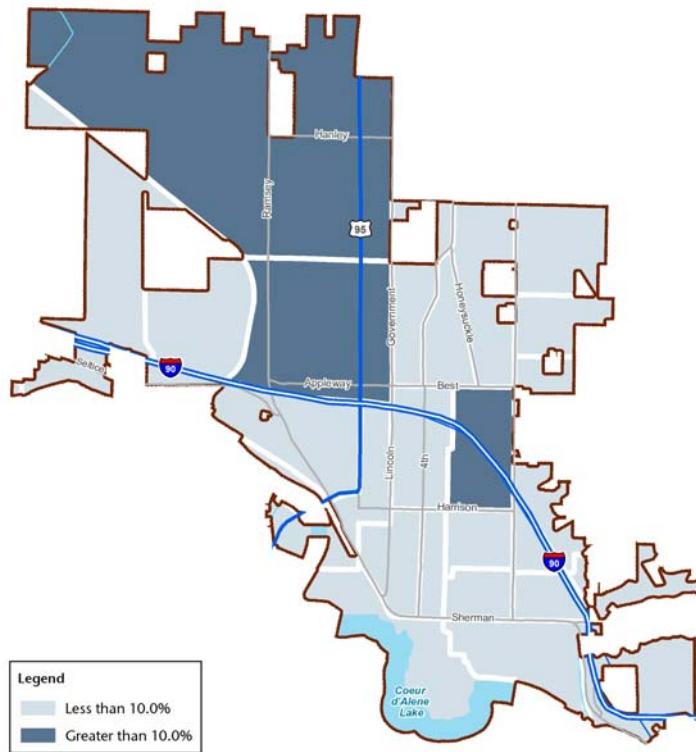


Familial status and disability. Single parents and persons with disabilities may also experience fair housing discrimination and/or have greater challenges in finding affordable and appropriate housing.

As of 2009, an estimated 2,073 households in Coeur d'Alene were single-parent families. This represents about 12 percent of all households in the city. Most of these households (1,732) were female-headed. Figure II-9 shows where female-headed households reside in the city. Overall, 10 percent of households are female-headed with children.

Figure II-9.
Proportion of Female-Headed Households in Block Group, Coeur d'Alene, 2010

Source:
Claritas 2010.



Many persons with disabilities require housing that has accessibility features, is near public transit and supportive services, and is affordable. Persons with disabilities are also at greater risk of experiencing housing discrimination, oftentimes due to a lack of knowledge about laws governing accommodations for the disabled.

Updated information on disability status is not available in the 2007-2009 American Community Survey 3-year estimate. The most recent disability information from the 2000 Census was presented as part of the city's 2007-2012 HUD Consolidated Plan. According to the Consolidated Plan:

The Census reported that 20 percent of residents of Coeur d'Alene had a disability in 2000, compared to 18 percent nationwide with a disability. An estimated 6,257 persons in Coeur d'Alene had some type of disability in 2000. In 2006, the number is likely closer to 8,500, reflecting the City's growth overall.

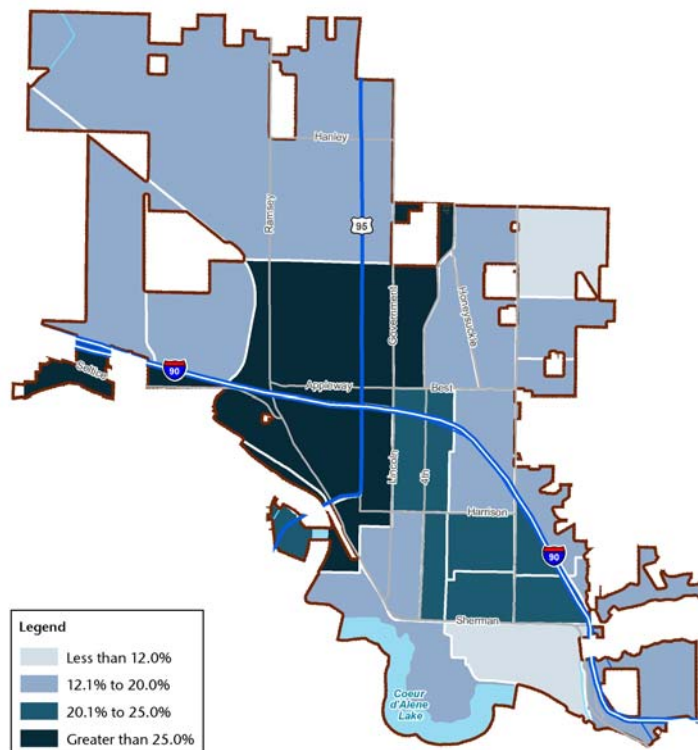
The Census's definition of disability status is based on individual answers to several Census survey questions. According to the Census, individuals have a disability if any of the following three conditions are true: (1) they were 5 years old and over and had a response of "yes" to a sensory, physical, mental or self-care disability; (2) they were 16 years old and over and had a response of "yes" to going outside the home disability; or (3) they were 16 to 64 years old and had a response of "yes" to employment disability.

The most common types of disabilities that residents of Coeur d'Alene had in 2000 were physical (25 percent), difficulty "going outside the home" (18 percent), and sensory (13 percent) and mental (16 percent). Seven percent of disabilities were related to the inability to care for oneself without assistance.

Figure II-10 shows where persons with disabilities lived in Coeur d'Alene in 2000. Block groups with the largest proportion of persons with disabilities are located in the central portion of the city.

Figure II-10.
Concentrations of Persons with Disabilities, Coeur d'Alene, 2000

Source:
U.S. Census Bureau, 2000 Census.



Employment

According to the Idaho Department of Labor, jobs in the public administration, retail trade and health care/social assistance industries comprise nearly 50 percent of all jobs in Kootenai County. All three industries pay modest wages, with annual earnings for full-time employment falling between \$25,000 and \$35,000 annually. On average, a full-time worker in Kootenai County would expect to earn \$31,000 annually. Figure II-11 presents the county's overall employment and wage distribution for the 1st quarter of 2010.

Figure II-11.
Employment and Wage Distribution by Industry, Kootenai County, 1Q10

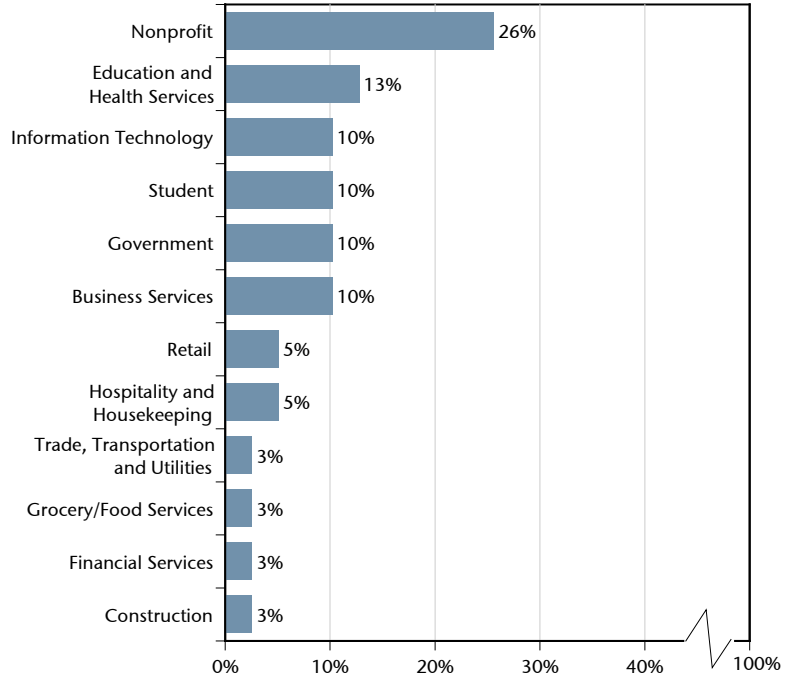
	Average Employment	Percent of Total Employment	Average Weekly Wages	Average Annual Full-Time Salary
Agriculture, Forestry, Fishing and Hunting	199	0.4%	\$ 591	\$ 30,731
Construction	3139	6.4%	\$ 603	\$ 31,379
Manufacturing	3901	8.0%	\$ 653	\$ 33,941
Wholesale Trade	1378	2.8%	\$ 831	\$ 43,223
Retail Trade	7339	15.0%	\$ 465	\$ 24,186
Transportation and Warehousing	642	1.3%	\$ 547	\$ 28,465
Utilities	279	0.6%	\$ 1,226	\$ 63,741
Information	723	1.5%	\$ 837	\$ 43,542
Finance and Insurance	2240	4.6%	\$ 831	\$ 43,202
Real Estate and Rental and Leasing	629	1.3%	\$ 645	\$ 33,518
Professional, Scientific and Technical Services	2102	4.3%	\$ 788	\$ 40,985
Management of Companies and Enterprises	281	0.6%	\$ 1,930	\$ 100,340
Administrative and Waste Management	3319	6.8%	\$ 370	\$ 19,262
Educational Services (private ownership)	336	0.7%	\$ 448	\$ 23,291
Health Care and Social Assistance	6089	12.5%	\$ 563	\$ 29,269
Arts, Entertainment and Recreation	792	1.6%	\$ 411	\$ 21,363
Accommodation and Food Services	4734	9.7%	\$ 256	\$ 13,288
Other Services (except Public Administration)	1066	2.2%	\$ 427	\$ 22,204
Public Administration and Education	9618	19.7%	\$ 685	\$ 35,644

Source: Idaho Department of Labor.

Figure II-12 presents the employment categories of the resident survey participants. Nonprofit employment was the most represented in the survey. The remaining responses captured prevalent industries in the city, such as health services and government.

Figure II-12.
Employment Category of
Survey Participants,
Coeur d'Alene, 2011

Source:
COEUR D'ALENE Resident Survey, 2011.



SECTION III.
Housing Market Analysis

SECTION III.

Housing Market Analysis

In 2007, BBC completed an in-depth housing market study for the City of Coeur d’Alene, which included a series of recommendations to help the city meet existing housing needs for its residents. This section provides updated information on the city’s housing market and examines and updates recommendations from 2007.

Housing Market Overview

The following presents a broad overview of the city’s current housing market by discussing the city’s rental market, as well as its for sale housing market.

The following questions help guide this discussion of the city’s housing market:

- *How much do housing units cost in Coeur d’Alene?*
- *How challenging is it to find housing opportunities in Coeur d’Alene?*
- *Are residents satisfied with their current living situation?*

Rental market. According to the ACS, 43 percent of the city’s households rent their current home. With renters comprising nearly half of the city’s households, the availability of quality and affordable rental housing is important to attract and retain the city’s workforce, students and persons who simply prefer renting over owning.

Rental costs. The ACS reported a 2009 median contract rent (without utilities) in Coeur d’Alene of \$642 and a median gross rent (with utilities) of \$773. The resident survey produced a higher median contract rent of \$800 and a median gross rent of \$870.

As seen in Figure III-1, most rental units in 2009 were priced between \$500 and \$750, which is a shift from 2000 when more than half of the city’s rental units required rents of \$500 or less. Additionally, in 2000, less than 10 percent of the rental units in the city required rents of \$750 or more; currently, 35 percent of the city’s rental units rent for \$750 or more per month.

Figure III-1.
Contract Rent Distribution,
Coeur d’Alene, 2000 and 2009

Source:
 U.S. Census Bureau, 2000 and 2007-2009 American
 Community Survey 3-year estimates.

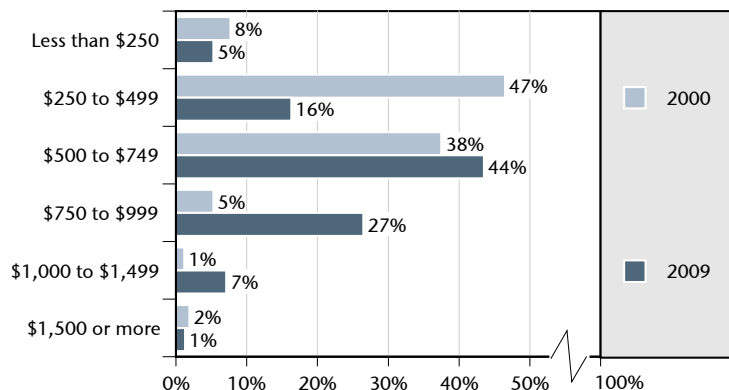
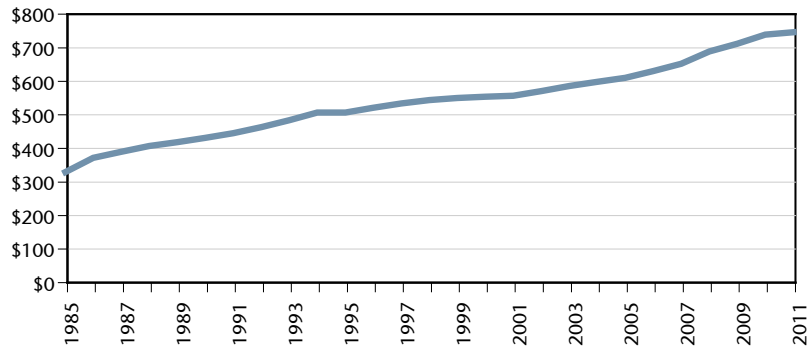


Figure III-2 further demonstrates increases in the city’s rental rates. Fair Market Rents (FMR) are established annually by HUD to determine the subsidy that households are eligible to receive under subsidized programs.

Figure III-2.
Trends in Fair Market Rents for Two-Bedroom Units, Coeur d’Alene, 1985 to 2011

Source:
 U.S. Department of Housing and Urban Development.



The largest increase occurred between 2007 and 2008, when the FMR for the MSA increased by 4 percent from \$646 to \$683. The FMR for a 2-bedroom unit is currently \$740.

Between 2005 and 2011, the FMR in Coeur d’Alene increased by 23 percent. The FMR in Coeur d’Alene increased faster than other Idaho and regional cities, with the exception of Boise.

Figure III-3
Fair Market Rents for Two-Bedroom Units Comparison, Coeur d’Alene, 2005 and 2011

Source:
 U.S. Department of Housing and Urban Development.

	2005	2011	Percent Change
Coeur d’Alene	604	740	22.5%
Boise	520	702	35.0%
Missoula	624	775	24.2%
Pocatello	593	624	5.2%
Spokane	614	731	19.1%

Rental rate increases have been met by increased renter income. As seen in Figure III-4, the median income of renter households increased by 34 percent since 2000, growing from \$22,037 in 2000 to \$29,559 in 2009. This increase in median household income is mirrored by the 32 percent increase in median rent.

Figure III-4.
Contract Rent Distribution, Coeur d’Alene, 2000 and 2009

Source:
 U.S. Census Bureau, 2000 and 2007-2009 American Community Survey 3-year estimates

	2000	2009	Percent Increase
Median Contract Rent	\$ 487	\$ 642	31.8%
Median Renter Household Income	\$ 22,037	\$ 29,559	34.1%

Locating rental units. Approximately half of renters participating in the survey thought it was difficult to find rental opportunities in Coeur d’Alene, primarily because rental units affordable in their price range were in poor condition. Renters that found it difficult to find quality rental units in their price range currently pay between \$625 and \$800 per month in rent, which aligns with the city’s overall median rental rate.

According to the resident survey, renters should allow two to four weeks to find a rental unit in Coeur d'Alene. Survey participants relied on a variety of outlets to locate their current apartment including online resources (e.g., Craigslist), word of mouth, and seeing "for rent" signs in front of available properties.

Renter satisfaction. Renters emphasized the importance of proximity to important amenities and services, as well as overall quality when selecting a unit to rent.¹ As such, 78 percent of renter survey respondents said they were "satisfied" with their current living situation, likely because their current homes met these criteria. Nearly all renters stated that no necessary repairs were necessary in their rental unit.²

Not all renters want to become homeowners; however, homeownership may be a challenge in Coeur d'Alene for those that do want to become homeowners. According to the renters, the costs and financial stability associated with homeownership (e.g., homeownership, low income, poor credit, lost home in short sale) are current barriers to homeownership.

Homeownership market. According to the ACS, the 2009 median value of owner occupied homes in Coeur d'Alene was \$207,000, which is 22 percent higher than the \$170,000 sales price survey respondents would expect to receive if they sold their home.³ Both statistics likely understate the affordability of homes in Coeur d'Alene for interested homebuyers. One source cites the median sales price of current listings in Coeur d'Alene as \$258,219 and the average as \$561,329.⁴

The value of owner-occupied housing units increased since 2000. More than 80 percent of the city's owner-occupied housing stock was valued at \$150,000 or less in 2000; currently, only one in five units is valued at the same price. For homebuyers seeking homes valued at \$500,000 or more, their options have increased in the last 10 years. Currently, 4 percent of the city's owner occupied homes are valued at \$500,000 or more, compared with less than 1 percent in 2000.

¹ Fifty-five percent of renters said that proximity to important amenities and services was important in selecting their current home. Forty-four percent said that the quality of the home was important in selecting their current home. These were the two most commonly cited responses.

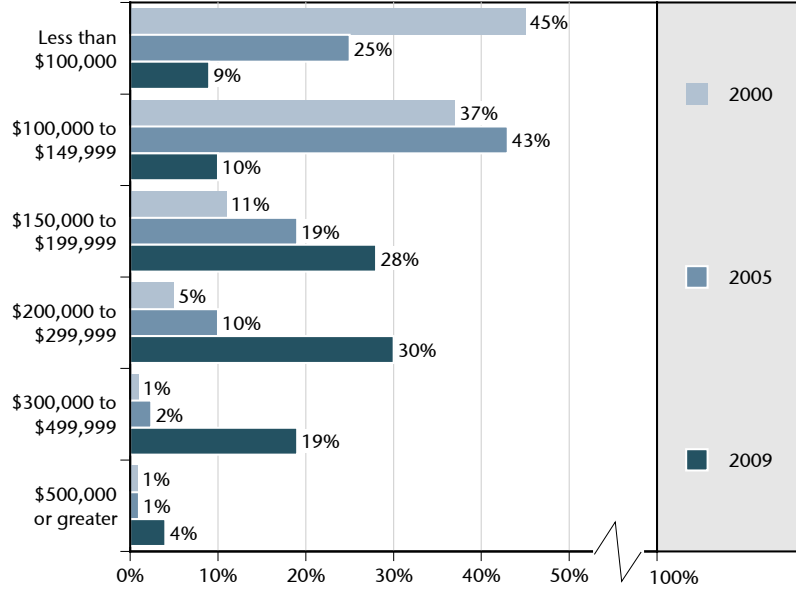
² Eighty-nine percent of renters said that there were no repairs needed on their current rental unit.

³ Excludes mobile homes.

⁴ <http://www.americantowns.com/id/coeurdalene-real-estate>

Figure III-5.
Values of Owner-Occupied Housing Units, Coeur d'Alene, 2000, 2005 and 2009

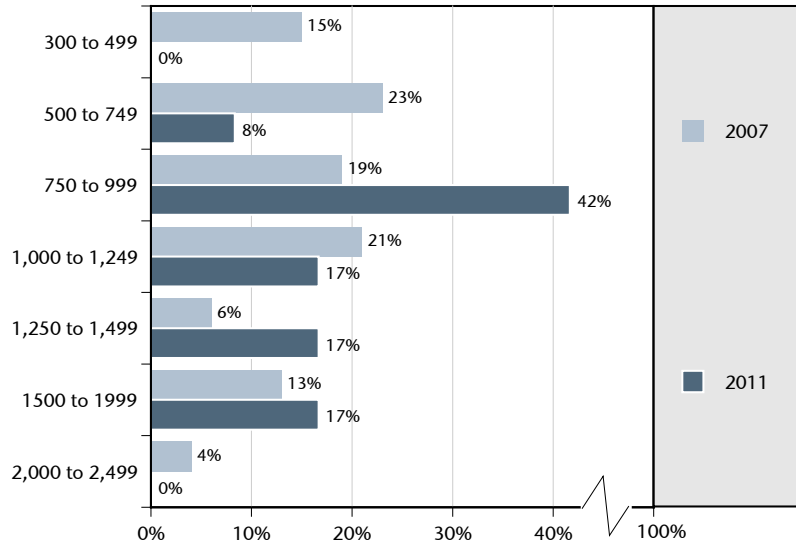
Source:
 U.S. Census Bureau, 2000, Claritas, 2005
 and 2007-2009 American Community
 Survey 3-year estimates



In the 2007 resident survey, homeowners reported their monthly mortgage costs. Homeowners in 2007 paid between \$500 and \$1,250 to service their mortgage debt. That has since changed. Figure III-6 compares the costs reported by residents in 2007 and 2011. The 2011 resident survey captured more residents paying between \$750 to \$999 per month to service their mortgage, as well as a larger proportion of homeowners paying greater than \$1,250 per month.

Figure III-6.
Homeownership Costs, Coeur d'Alene, 2007 and 2011

Source:
 2007 and 2011 BBC Resident Surveys, Coeur
 d'Alene Consolidated Plan.



Foreclosure and negative equity are two realities faced by many homeowners across the country. However, for homeowners participating in the resident survey, home foreclosure was not a concern.⁵ Conversely, 28 percent of homeowners do believe they owe more on their home than it is currently worth. For residents with negative equity, refinancing is often the most desirable option to avoid a short sale or foreclosure, which makes access to mortgage capital crucial.

⁵ 95 percent of homeowners participating in the survey were not concerned about their home going into foreclosure.

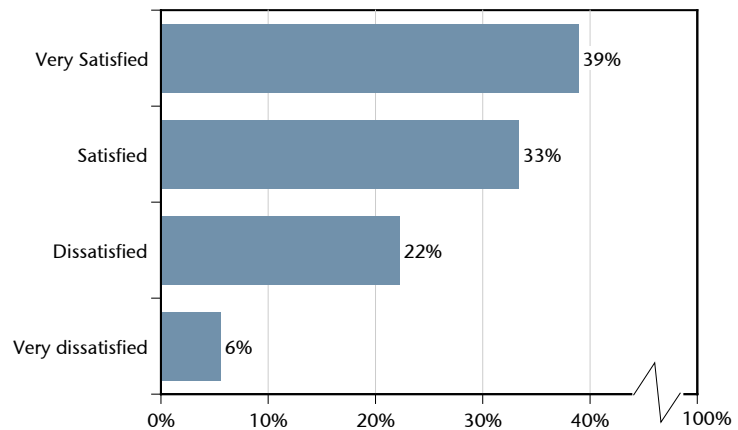
Per the resident survey, homeowner satisfaction isn't as apparent as renter satisfaction. Approximately one-quarter of homeowners participating in the resident survey said they were either "dissatisfied" or "very dissatisfied" with their current living situation.

Figure III-7.

Response to the Question:

Would you say you are generally satisfied with your current home?

Source:
COEUR D'ALENE Resident Survey, 2011.



When asked why they were dissatisfied with their current home, residents primarily cited quality, the value/cost of their home and its size. These are summarized in greater detail below.

- Quality. Some residents stated that their homes were in need of repairs (e.g., new siding, new roof) and that the overall quality was poor.
- Value and cost of their home. Residents seemed disappointed that their homes were worth less than what they owed on their mortgage and that they simply paid too much when they purchased the home. Additionally, some seemed upset at the quality of their home versus the cost they paid to purchase it.
- Size. Some residents simply wanted more space because their current home was not adequately sized.

Homeowners were asked whether there were necessary repairs that needed to be made to their homes. Of those homeowners that responded to the question, 44 percent have repairs they need to make to their home, which is nearly the same response rate received in 2007 (46 percent) to the same question. New roofs, siding, windows, flooring, door and general energy efficiency improvements were all cited by homeowners as necessary repairs.

In 2007, 3 owners, or 6 percent of the homeowners responding to the survey who needed repairs, said that the repairs were so significant that they made their homes "unlivable." This was equivalent to about 3 percent of all homeowners in the City, or approximately 500 households. In 2011, none of the homeowners said that their repairs made their homes "unlivable".

Housing Affordability

The analysis in this section examines housing need across all income levels to identify mismatches in supply and demand for all households in Coeur d’Alene. It reports the results of a modeling effort called a “gaps analysis”, which compares housing affordability for households at different income levels to the supply of housing units affordable at these income levels.

Defining affordability. In the housing industry, housing is “affordable” if no more than 30 percent of a household’s monthly income is needed for rent, mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.” This definition was used in the analysis discussed below.

Summary of housing needs. Coeur d’Alene’s renters and homeowners have experienced increases in housing costs, which have exacerbated the housing needs of the city’s lowest income residents. More specifically, these needs include the following:

Figures III-8 and III-9 display the results of the gaps analysis for the city. Figure III-8 presents analysis for renters seeking rental opportunities in the city. Figure III-9 presents analysis for renters seeking homeownership.

**Figure III-8.
Rental Gap, Coeur d’Alene, 2011**

Income Range	Renters		Maximum Affordable Rent	Total Rental Units and Vouchers		Rental Gap	
	Number	Percentage		Number	Percentage		
\$0	\$4,999	284	4%	\$ 75	183	2%	-101
\$5,000	\$9,999	539	7%	\$ 175	435	5%	-104
\$10,000	\$14,999	998	13%	\$ 300	133	2%	-865
\$15,000	\$19,999	656	9%	\$ 425	274	3%	-382
\$20,000	\$24,999	611	8%	\$ 525	1,183	15%	572
\$25,000	\$34,999	1,298	17%	\$ 775	3,256	41%	1,958
\$35,000	\$49,999	1,213	16%	\$ 1,150	2,062	26%	849
\$50,000	\$74,999	1,174	16%	\$ 1,750	328	4%	-846
\$75,000	\$99,999	331	4%	\$ 2,375	79	1%	-252
\$100,000	\$149,999	230	3%	\$ 3,600	0	0%	-230
\$150,000 or more		107	1%	\$ 4,825	0	0%	-107
Total		7,441	100%		7,933	100%	

Source: BBC Research & Consulting.

**Figure III-9.
Renter to Homeowner Gap, Coeur d’Alene, 2011**

Income Range	Renters		Maximum Affordable Home Price	Estimated Housing Units	Percent All Units	Cumulative Percentage Available	Units Available per Renter Household	Difference in Proportions	
	Number	Proportion							
\$0	\$4,999	284	4%	\$ 5,092	1	0%	0%	0.00	-4%
\$5,000	\$9,999	539	7%	\$ 20,362	6	1%	1%	0.01	-6%
\$10,000	\$14,999	998	13%	\$ 45,820	19	3%	4%	0.02	-10%
\$15,000	\$19,999	656	9%	\$ 71,279	14	2%	6%	0.02	-7%
\$20,000	\$24,999	611	8%	\$ 96,738	20	3%	9%	0.03	-5%
\$25,000	\$34,999	1,298	17%	\$ 137,471	45	7%	16%	0.03	-11%
\$35,000	\$49,999	1,213	16%	\$ 213,847	271	41%	57%	0.22	25%
\$50,000	\$74,999	1,174	16%	\$ 336,049	161	24%	82%	0.14	9%
\$75,000	\$99,999	331	4%	\$ 458,250	78	12%	93%	0.24	7%
\$100,000	\$149,999	230	3%	\$ 712,836	22	3%	97%	0.09	0%
\$150,000 or more		107	1%	\$ 967,427	21	3%	100%	0.20	2%
Total		7,441	100%		658	100%			

Source: BBC Research & Consulting.

In summary, the greatest needs in the city include the following:

- As seen in Figure III-8, renter households earning \$20,000 per year or less account for 33 percent of all total households. However, only 12 percent of the city’s rental units are priced affordably for these households, resulting in a rental gap of nearly 1,500 units exists for these households. Section 8 Vouchers may provide some financial relief for low income families in Coeur d’Alene, but with wait times exceeding three years, Vouchers provide little to no short-term relief for many households.
- There is a shortage of rental units for households earning \$50,000 or more. The rental market has not been developed to accommodate for this price point, primarily because higher earning renters more often opt for homeownership. Additionally, if high-earning renter households chose to rent, they are also able to rent from the abundance of units priced affordably for lower income levels. A rental gap exists in many communities for renter households with incomes high enough to purchase homes.
- As seen in Figure III-9, there are currently 658 units currently on the market in Coeur d’Alene. Many of these units are priced affordably for renter households earning between \$35,000 and \$75,000 per year. However, many of the city’s renter households fall in these categories, making the homeownership market competitive for first-time homebuyers. For example, there are currently 161 units for sale, compared to 1,174 households earning between \$50,000 and \$75,000 annually.

Housing Market Comparison – 2007 and 2011

The city's housing market is not drastically different in 2011 compared with 2007. Many of the challenges the city faced in providing its residents with affordable and quality housing in 2007 remain, while some changes have occurred.

How has the city's housing market remained the same since 2007?

- The city continues to struggle to house its lowest income renters. In 2007, a gap of 861 units existed for renters earning less than \$15,000 per year. In 2011, the gap has increased to 1,070 units.
- Housing affordable for the city's workforce continues to be a need in the city. Many jobs in the city pay modest wages, and competition is high for quality rental and for sale homes priced affordably for the city's workforce. Stakeholders contributing to the 2007 market study identified the city's workforce as a segment of the population in need of affordable housing opportunities, and analysis completed in this report revealed the same need.
- Housing quality is still a concern for homeowners. According to the 2011 resident survey, 44 percent of homeowners said they have repairs they need to make to their home, which is nearly the same response rate received in 2007 (46 percent) to the same question.

How has the city's housing situation changed since 2007?

- Since 2007, Coeur d'Alene has become a HUD entitlement community, meaning that the city now receives a direct Community Development Block Grant (CDBG) allocation annually. This provides the city with more flexibility to address the housing and community development needs of its low- and moderate-income residents.
- The wait period for a HUD Section 8 Voucher has increased from 28 months to more than 36 months. As such, since 2007, it has become even more challenging to obtain a Section 8 Voucher from the IHFA to use in Coeur d'Alene. This indicates even greater need for affordable housing opportunities in the city to meet unmet demand from the Section 8 Voucher program.

Recommendations

A series of recommendations was made as part of the 2007 housing market study. These recommendations are re-examined below. As a part of this 2011 housing market analysis, goals are either noted as being accomplished, or a recommendation is made to continue investigating ways to implement the goal.

Goal No. 1. Create affordable homeownership opportunities for Coeur d'Alene's workforce. According to the 2007 housing market study, the City of Coeur d'Alene needs programs to create and maintain the affordability of homeownership units for its workforce earning between \$25,000 and \$50,000 per year.

In the last 4 years, the city has addressed affordable homeownership opportunities for the city's workforce. For example, the city established a partnership with the North Idaho Housing Coalition (NIHC), which defines itself as a "one-stop-shop for homebuyers."⁶ With grant funding from IHFA, the NIHC "purchases foreclosed houses, renovates them as needed, and then offers them for sale to qualified buyers below appraised value." The program also assists homeowners by paying all closing costs and providing gap financing for clients if they are unable to qualify for the necessary loan amount.

The city has also made a number of planning code enhancements to help make homeownership more affordable in the city. The city now allows for accessory dwelling units, has zoned for zero lot lines and has changed its infill regulations to allow for more affordable housing development.

Despite these positive steps, it is still difficult for the city's workforce to become homeowners. Jobs in the city pay modest wages. As seen in Figure III-9, the current for sale housing market is competitive for renters earning between \$35,000 and \$75,000 annually, which likely includes the city's one- and two-worker households earning average wages. Currently, 432 for sale units are available for 2,387 renter households falling in this income cohort. As the city's home prices continue to increase, fewer homes will be available for the city's workers.

Moving forward, the city should continue the goal of creating affordable homeownership opportunities for the city's workforce.

Goal No. 2. Develop more deeply subsidized rental units, including affordable senior rentals and housing with supportive services. Since 2007, 50 rental units have been constructed with HUD 202 and 811 grants. The new units are targeted for residents with chronic mental illnesses (14 units) and seniors (36 units). 2011 IHFA tax credit allocations will fund additional affordable units in the city, providing much needed affordability to the city's residents. Moving forward, Coeur d'Alene should continue engaging developers interested in affordable housing projects. However, to ensure that affordable rental units do not compete with market rate units, the city should support and advocate for the deepest subsidies available, such as 60 percent of AMI or less.

Goal No. 3. Create a housing rehabilitation program (to preserve existing affordable housing). Since 2007, the city has become a HUD entitlement community and begun a home rehabilitation program with its CDBG allocation. To date, the city has spent \$85,494 assisting 23 households. BBC's recommendation moving forward is to continue the home rehabilitation program to continue assisting financially strained workforce homeowners with necessary home repairs.

Goal No. 4. Receive a direct allocation of the Community Development Block Grant. In 2007, BBC recommended that the city become a HUD entitlement community to receive a direct allocation of the Community Development Block Grant (CDBG). Shortly after the recommendation was made, the city became an entitlement community. The city has received three year's worth of funding and is preparing for a fourth.

⁶ <http://www.northidahohousing.org/>

The city anticipates a 2011 CDBG allocation of \$309,469.00. In its 2011 Action Plan, the city anticipates allocating \$110,000 of funding for land acquisition for future development of low- and moderate-income housing; \$77,000 for apartment rehabilitation; \$40,000 to assist low- and moderate-income homeowners remediate health and safety concerns with their homes; and, \$23,000 for housing counseling.⁷

Goal No. 5. Educate residents, mitigate resistance to affordable housing (NIMBYism) and keep affordable properties in sound condition. The 2007 study suggested that as Coeur d'Alene and Kootenai County continue to grow and diversify, it is likely that tension may develop between new residents and long-time community members, as well as between higher- and lower-income populations. BBC recommended that the City monitor any growing tension, and work to mitigate conflict through community education and outreach efforts.

The city has been active in furthering knowledge of fair housing among its residents and city officials. City staff made a presentation to the Planning Commission and City Council in 2010, which briefed them on the importance of furthering fair housing in the city. Furthermore, the city sponsors an annual free fair housing training session for residents sponsored by the Intermountain Fair Housing Council.

Moving forward, the city should identify partnerships to help implement the Fair Housing Action Plan (FHAP) outlined in Section V. Once partnerships are identified, a timeline should be specified for implementing the FHAP. If the city continues to be proactive in educating residents and public officials on the importance of fair housing, NIMBYism will be minimized.

Goal No. 6. Maintain quality schools within the City. The 2007 housing market study suggested that the city help maintain quality schools within the city. The public input process for that study identified resident concern about future declining enrollment in the city's schools. Declining enrollment occurs because of demographic changes that lower the number and proportion of children in a community, and/or because families make a choice to leave a school district (which is usually associated with school quality and satisfaction).

The city is limited in its ability to directly impact declining enrollments and school performance. However, since 2007, the city has supported the school district when possible. The city can also help provide affordable and quality housing for its workforce to help prevent future declines in enrollment. If the city can retain younger families that work in Coeur d'Alene while their children are of school age, future declines in enrollment could be prevented.

⁷ As of February 10, 2011, the PY2011 Action Plan was in the 30-day public comment period.

SECTION IV.
Analysis of Impediments to Fair Housing

SECTION IV.

Analysis of Impediments to Fair Housing

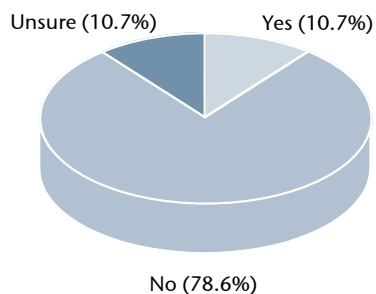
This section contains the analysis of fair housing barriers in Coeur d'Alene, which serves as an update to BBC's 2007 Analysis of Impediments to Fair Housing Choice (AI) that was conducted as part of the city's Five-year Consolidated Plan. More specifically, this section reports barriers identified by Coeur d'Alene residents and stakeholders; contains an analysis of zoning and land use laws; reviews public housing authority policies and procedures; contains an analysis of lending activity; and reports fair housing complaint and legal case data.

Resident and Stakeholder Surveys

To identify housing barriers associated with private market activity for which data is not available, two survey efforts were conducted:

- **Resident survey.** Residents in Coeur d'Alene were surveyed about housing discrimination that they or someone they know have experienced. Residents were also asked how they would find information about fair housing if they needed to.
- **Stakeholder survey.** Stakeholders were asked to evaluate more than 20 possible types of barriers to fair housing on a scale of 1 to 3 for frequency of occurrence in Coeur d'Alene. They were also asked about their clients' experience with discrimination and access to fair housing information.

Figure IV-1.
Response to Survey Question:
Do you think you have ever experienced housing discrimination?



Source: COEUR D'ALENE Resident Survey, 2011.

Prevalence of discrimination. According to both resident and stakeholder survey participants, widespread discrimination is likely not occurring in Coeur d'Alene. For example:

- The majority of residents (79 percent) did not believe they had been discriminated against in finding housing.¹ Only 7 percent of respondents cited discrimination that fell under fair housing law.² These discriminatory acts included discrimination because of a mental illness and familial status.³

¹ The remaining 21 percent of respondents were equally split between residents who had experienced discrimination and those that were unsure.

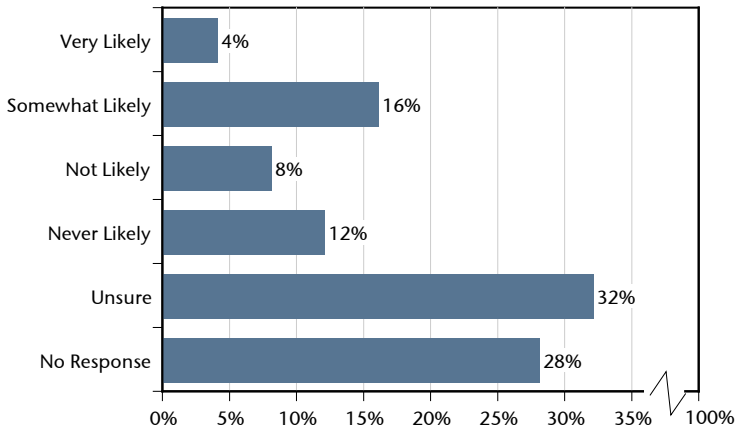
² This calculation does not include residents that cited discrimination that is not covered under fair housing law (e.g., not able to own non-service animals).

³ The familial status discrimination claim did not take place in Coeur d'Alene.

- Sixteen percent of stakeholders said it was “somewhat likely” for their clients to experience discrimination. However, a majority of stakeholders were simply unsure or did not respond to a question regarding their clients’ likelihood to experience discrimination when looking for housing.

Figure IV-2.
Response to
Survey Question:
How likely is it for your
clients to experience
discrimination when
trying to rent or buy
housing?

Source:
 Coeur d’Alene Stakeholder Survey,
 2011.



The assistance offered by stakeholders to their clients looking for housing may help alleviate some potential discrimination. For example, when stakeholders were asked how their clients learned about potential housing opportunities, a majority of respondents said that their clients learned about housing opportunities from their organization. Stakeholders assist clients in other ways as well, such as advertising housing opportunities at other non-profit organizations or helping clients call housing providers.

Reasons for discrimination. Stakeholders were asked to expound on the types of discrimination their clients may face, as well as the types of discrimination they think may occur most frequently within Coeur d’Alene. Stakeholders feel that discrimination based on familial status and the presence of either a physical and/or mental disability are the most common forms of discrimination in Coeur d’Alene, both among their clients and among all residents in Coeur d’Alene. When asked what types of discriminatory activities may occur against these individuals, stakeholders felt that an unwillingness to make reasonable accommodations for tenants with disabilities was the most common activity where discrimination could be demonstrated.

Barriers to fair housing. Stakeholders were asked to determine the severity of a series of potential fair housing barriers. The results from this ranking exercise appear in Figure IV-3. The top three barriers, which had the greatest proportion of “modest” and “serious” rankings from stakeholders, include the following:

- Income levels of minority and female-headed households;
- Lack of knowledge among residents regarding fair housing; and
- Lack of knowledge among small landlords regarding fair housing

Figure IV-3.

Response to Survey Question:

How would you evaluate the following barriers to fair housing in Coeur d'Alene?

	No Barrier	Minor	Modest	Serious
Income levels of minority and female-headed households	0.0%	25.0%	41.7%	33.3%
Concentration of low-income housing in certain areas	7.7%	46.2%	23.1%	23.1%
Concentration of group homes in certain neighborhoods	18.2%	63.6%	18.2%	0.0%
Limitations on density of housing	33.3%	25.0%	33.3%	8.3%
Lack of adequate zoning for manufactured housing	33.3%	8.3%	50.0%	8.3%
Restrictive covenants by homeowner associations or neighborhood organizations	25.0%	25.0%	33.3%	16.7%
Limited capacity of a local organization devoted to fair housing investigation/testing	15.4%	30.8%	30.8%	23.1%
Lack of knowledge among residents regarding fair housing	7.7%	15.4%	53.8%	23.1%
Lack of knowledge among large landlords/property managers regarding fair housing	7.1%	42.9%	21.4%	28.6%
Lack of knowledge among small landlords regarding fair housing	7.7%	15.4%	46.2%	30.8%
Lack of knowledge among real estate agents regarding fair housing	36.4%	18.2%	27.3%	18.2%
Lack of knowledge among bankers/lenders regarding fair housing	36.4%	9.1%	27.3%	27.3%
Lack of knowledge among insurance industry representatives regarding fair housing	45.5%	9.1%	36.4%	9.1%
Use of "neighborhood stability" or similar factors as proxies for racial makeup in appraisals	40.0%	30.0%	30.0%	0.0%

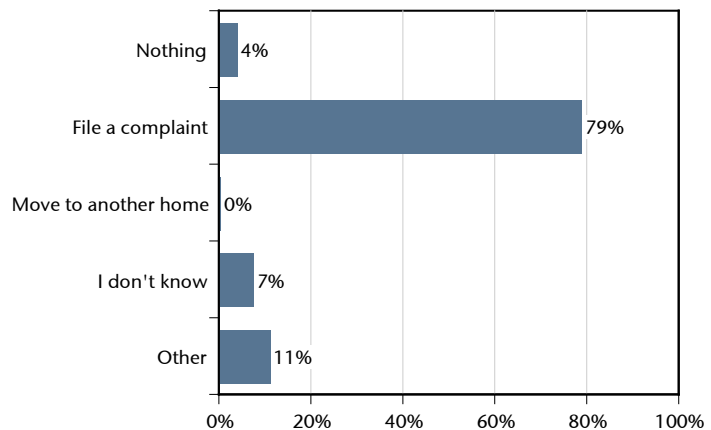
Source: Coeur d'Alene Stakeholder Survey, 2011.

Knowledge of fair housing resources. Residents seem to have a basic understanding of their rights under fair housing law. As seen in Figure IV-4, nearly 80 percent of survey respondents understood that a complaint should be filed if discrimination occurred to them or others when looking for housing.

Figure IV-4.

Response to Survey Question:

Suppose you or someone you knew thought they'd been discriminated against in trying to find a place to rent or buy a house. What would you recommend they do?

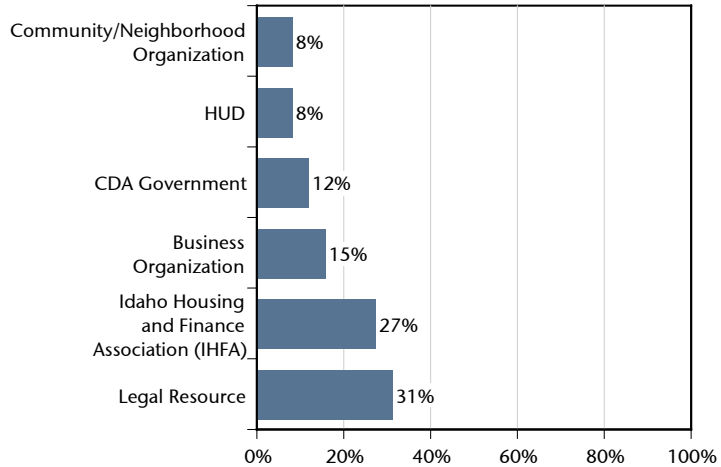


Source: Coeur d'Alene Stakeholder Survey, 2011.

Fifty-nine percent of survey respondents said they knew who to contact if they or someone they knew was discriminated against; the remaining 41 percent did not know who to contact. When asked to identify the organization or individual they would contact if they or someone they knew experienced discrimination, the largest proportion said they would contact a legal resource.

Figure IV-5.
Response to Survey Question:
If you felt that you or someone you knew were discriminated against when trying to find a place to rent or buy a house, which person/organization would you call first for information?

Source:
 Coeur d'Alene Stakeholder Survey, 2011.



Approximately one-quarter of stakeholders have assisted clients in completing a fair housing complaint. For those stakeholders who have assisted clients with complaints, most identified the process as “easy.” For those stakeholders who have not helped a client file a complaint, most said they would direct clients to the Intermountain Fair Housing Council, Idaho Housing and Finance Association (IHFA) or HUD.⁴

Zoning, Land Use and Housing Policy Review

A zoning, land use and housing policy review for Kootenai County was completed in conjunction with the statewide AI for Idaho also completed by BBC.⁵ The primary findings from the analysis for Kootenai County included the following:

- 3,000 sq. ft. minimum lot size is among the lowest reviewed and promotes affordability;
- Multi-family housing approvals should allow efficient densities and building heights;
- A broader range of FHAA group living facilities could be accommodated;
- Manufactured home siting and park availability standards are good; and,
- Accessory dwelling provisions are good but would better promote affordability if rental use was permitted.

Figure VI-6 summarizes the review of the county’s zoning, land use and housing review.

Figure IV-6.

⁴ IHFA does not enforce fair housing law and would refer complaints to the appropriate service provider.

⁵ Zoning, land use and housing policy review was completed by Clarion and Associates, who served as a sub-consultant to BBC.

Land Use Review, Kootenai County, 2011

Potential Affordable Housing Barriers	Kootenai County Regulations
Lot Dimensions	
Smallest minimum lot size in a residential district (with services)	3,000 sq. ft.
Narrowest lot width in a single-family district	—
Minimum house size requirement (any district)	—
Highest density available in a multi-family district	1 DU per 3,000 sq. ft.
Tallest building height in a multi-family district	—
Where is multi-family permitted? By special permit?	Permitted in commercial and high density residential districts; by special notice in the suburban district
Affordable Housing Provisions	
Are there incentives for affordable housing?	No
Group Housing	
What types of group housing are permitted in SF districts?	Retirement, nursing and convalescent homes by CUP
What types of group housing are permitted in MF districts?	Retirement and convalescent homes by CUP
Manufactured Housing/Mobile Home (MH) Regulations	
Are MHs allowed in residential districts?	Yes
Does the county have MH standards?	Yes, single standards within definition, have park standards as well
Does the county have a MH park district?	No
Are MHs (parks/single units) allowed in other districts?	Only where single family dwellings are permitted
Accessory Dwelling Unit (ADU) Regulations	
Does the code address accessory dwelling units?	Yes
Are ADUs allowed in any districts, which ones?	In all agricultural and residential districts, not for rental purposes
Are ADUs allowed by special permit only?	An accessory land use permit is required
Parking Requirements	
Number of parking spaces required for single-family units	1 per DU
Number of parking spaces required for multi-family units	—
Are there lower standards for affordable/special needs housing?	1 per 5 beds

Source: Coeur d'Alene Stakeholder Survey, 2011.

Coeur d'Alene provides even more options for developing density and increasing affordability than Kootenai County overall. A few important differences of the city from the county's housing barrier analysis include the following:

- The city allows for 300 square foot accessory dwelling units (ADU) in all zoning districts. Special permits are not required to build an ADU.
- The city has a density bonus incentive in place in the Downtown Core (DC) to induce workforce housing development. Four square feet of floor area is allowed for each square foot of workforce housing provided within 1.5 miles of the project site and within Coeur d'Alene city limits.
- The county's minimum lot size of 3,000 square feet was among the lowest reviewed in the state. Coeur d'Alene accommodates pocket residential in the R-8, R-12 and R-17 residential districts, as well as the C-17L and C-17 commercial districts. Pocket residential has no lot size and setback minimums on the site, but overall density is set by the zoning.

Appendix A provides more detailed guidance on avoiding barriers to affordable housing, which was also generated as part of the state-wide AI.

Affordable Housing and Public Housing Review

Affordable housing programs available to Coeur d'Alene residents include the Low Income Housing Tax Credit (LIHTC) program; the HOME program; the Project-Based Section 8 program; and the Section 8 Housing Choice Voucher program. Combining the LIHTC, HOME and Project-Based Section 8 programs, there are 869 family units, 461 elderly units, and 175 handicapped accessible units in Coeur d'Alene offering subsidized rental housing.

The city does not have a public housing authority in operation. The Idaho Housing and Finance Association administers the Section 8 program in Coeur d'Alene.

Low-Income Housing Tax Credit (LIHTC) and HOME programs. The LIHTC program provides a developer with federal tax credits to build or rehabilitate housing for low income persons. LIHTC developments usually serve slightly higher income populations (40 to 60 percent of MFI) than do Public Housing Authorities or the Section 8 voucher program, which generally serve households at 30 percent of MFI and less. The federal Home Investment Partnerships Program (HOME) provides subsidies to construct or rehabilitation affordable rental housing.

Figure IV-6 lists the LIHTC projects and/or HOME developments in Coeur d'Alene and the number of subsidized units. The most recent available data are current as of January 2011.

Figure IV-6.
Low-Income Housing Tax Credit/HOME Developments in Coeur d'Alene, as of January 2011

Facility Name	Address	Units by Type			Unit Size (by no. of bedroom)					Rent Range	
		Family	Elderly	Accessible	Stu.	1	2	3	4	Low	High
Cherry Ridge	1053 Emma Ave.	61		11	X	X				VARIES	
Coeur d'Alene Senior Housing	7712 N. Heartland Dr.		37	37	X	X				\$ 215	\$ 560
Fairwood Apts	1905 W. Appleway	120		2	X	X				\$ 495	\$ 591
Falls Creek Apartments	2831 N. Julia Street	170			X	X	X			\$ 228	\$ 702
Heartland Senior Housing	7745 N. Heartland Dr.		23	29	X	X				VARIES	
Homestead Apartments	106 E. Homestead	7	6	2	X	X				\$ 475	\$ 550
Kathleen Corers	3350 Kathy Loop	30			X	X	X			\$ 277	\$ 690
Lakewood Ranch	3755 4th Street		80	4	X	X				VARIES	
Maple Grove Apartments	3157 Fruitland	23		1	X	X				\$ 475	\$ 520
Park Place Apartments	3825 Ramsey	30		16	X	X	X			VARIES	
Silver Lake Apartments I	698 W. Wilbur	60		3	X	X	X			\$ 223	\$ 605
Silver Lake Apartments II	689 W. Wilbur	53		3	X	X	X			\$ 373	\$ 605

Source: Northern Panhandle Idaho Assisted Housing Directory, Idaho Housing and Finance Association.

As of January 2011, there were 12 low income housing tax credit and HOME developments in Coeur d'Alene. These developments had 554 family units, 146 units for seniors, and 108 were accessible to persons with disabilities.

Project-Based Section 8 program. Under the project-based Section 8 program, a Public Housing Authority (PHA) enters into an assistance contract with a property owner to provide rental assistance to a specified number of units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. The rental payment is on a sliding scale, determined by a tenant's household income. Because the assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available. The PHA pays the owner the difference between 30 percent of a family's income and the gross rent for the unit.

Figure IV-7 lists the Project-Based Section 8 properties in Coeur d’Alene. Of the Project-Based Section 8 units in Coeur d’Alene, 156 are designated as family units, 210 units are set aside for the elderly, and 37 units are accessible to persons with disabilities.

Figure IV-7.
Project-Based Section 8 Developments, Coeur d’Alene, as of January 2011

Facility Name	Address	Units by Type			Unit Size (by no. of bedroom)				
		Family	Elderly	Accessible	Stu.	1	2	3	4
		Heritage Place I & II	702 W. Walnut Avenue		129	2		X	
English Village Apartments	115 Anton Avenue	54		8		X	X	X	
Coeur d’Alene Manor	3016 Government Way		60		X	X			
Lincoln Way Terrace Apartments	Harrison & Lincoln Way	18		2		X			
Howard Place Apartments	2707 N. Fruitland Lane	40		2		X	X	X	
Lake Country Apartments	1421 N. 9th Street	44		2			X	X	
Prairie Run	7760 N. Heartland Drive		21	21		X			

Source: Northern Panhandle Idaho Assisted Housing Directory, Idaho Housing and Finance Association.

Expiring use properties. HUD maintains a database of subsidized units that utilized government contracts which are time-limited. Upon maturity of these contracts, property owners may elect to convert their units to market rates. A review of the HUD “expiring use” database found that, of the above Project-Based Section 8 units, 147 units are subject to expiration in 2010; 136 units in 2011; and 109 units in 2012.

Figure IV-8.
Expiring Subsidized Units, Coeur d’Alene, as of November 2010

Name	Number of Subsidized Units	Current Year to Expire	Overall Year to Expire	Unit Description	Type of Subsidy
Coeur d’ Alene Manor	60	2011	2011	General	Loan Management Set-Aside
English Village	55	2011	2011	General	Historic Preservation
Howard Place	40	2012	2020	General	Housing Finance Development Agency
Lake Country Apartments	44	2012	2020	General	Housing Finance Development Agency
Lincoln Way Terrace	18	2010	2012	General	USDA Rural Rental Housing Loans
Prarie Run	21	2011	2011	General	Project Rental Assistance Contract
Heritage Place	81	2010	2010	Elderly	Section 202
Heritage Place II	48	2010	2010	Elderly	Section 202
Heritage Place III	25	2012	2012	Elderly	Project Rental Assistance Contract
Total Subsidized Units	392				

Source: HUD.

Section 8 voucher program. The Section 8 voucher program provides rental subsidies to qualifying households who find rental housing in the private market. Section 8 is a federally funded program with budget limitations. It is a very popular program because it offers families a wide range of choices about where to live and, as a result, waiting lists to participate in the program are usually quite long. The Section 8 program is generally the best program available to assist extremely low- and very low-income households because the subsidies available are deeper than those provided by other programs. In many communities, the Section 8 voucher program is the primary housing assistance for special needs populations, including those at-risk or formerly homeless and persons with disabilities.

The Idaho Housing and Finance Association administers the Section 8 program through four branch offices statewide, including an office in Coeur d’Alene. As of January of 2011, 366 Section 8 Vouchers were being used by households residing in Coeur d’Alene. Section 8 Vouchers play an important role in housing disabled residents in Coeur d’Alene. Currently, 223 Vouchers (61 percent) are being used by families with at least one disabled family member. The current Section 8 waitlist is extensive and requires a 3 year wait or longer for a Voucher.

Fair Lending Analysis

This section contains an analysis of home loan and community reinvestment data. Community Reinvestment Act (CRA) ratings and Home Mortgage Disclosure Act (HMDA) data are commonly used in AIs to examine fair lending practices within a jurisdiction. HMDA data also contain interest rates of high cost loans, which allows an analysis of high cost lending patterns.

Community Reinvestment Act (CRA). The CRA requires that financial institutions progressively seek to enhance community development within the area they serve. On a regular basis, financial institutions submit information about mortgage loan applications as well as materials documenting their community development activity. The records are reviewed to determine if the institution satisfied CRA requirements. The assessment includes a review of records as related to the following:

- Commitment to evaluating and servicing community credit needs;
- Offering and marketing various credit programs;
- Record of opening and closing of offices;
- Discrimination and other illegal credit practices; and
- Community development initiatives.

The data are evaluated and a rating for each institution is determined. Figure IV-9 shows the results of recent CRA exams for banks in the City of Coeur d’Alene. As the Figure demonstrates, the banks all have strong ratings—all are rated “Satisfactory” or “Outstanding.” None were rated “Needs Improvement” or in “Substantial Noncompliance.”

**Figure IV-9.
CRA Ratings,
Coeur d’Alene,
January 2011**

Note:

Data current through September 30, 2010.

Source:

FIEC Interagency CRA Rating, October 2002.

Exam Date	Bank Name	CRA Rating
04-18-1992	Bank of America Idaho	Satisfactory
04-01-1997	Idaho Independent Bank	Satisfactory
02-23-1998	Mountain West Bank	Outstanding
10-01-1995	Northern State Bank	Satisfactory
03-31-1994	U.S. Bank Of Idaho, N.A.	Satisfactory

Mortgage lending data. HMDA data are widely used to detect evidence of discrimination in mortgage lending. In fact, concern about discriminatory lending practices in the 1970s led to the requirement for financial institutions to collect and report HMDA data. The variables contained in the HMDA dataset have expanded over time, allowing for more comprehensive analyses and better results. However, despite expansions in the data reported, HMDA analyses remain limited because of the information that is *not* reported.

As such, studies of lending disparities that use HMDA data carry a similar caveat: HMDA data can be used to determine disparities in loan originations and interest rates among borrowers of different races, ethnicities, genders, and location of the property they hope to own. The data can also be used to explain many of the reasons for any lending disparities (e.g., poor credit history). Yet HMDA data do not contain all of the factors that are evaluated by lending institutions when they decide to make a loan to a borrower. Basically, the data provide *a lot* of information about the lending decision—but *not all* of the information.

Beginning in 2004, HMDA data contained the interest rates on higher-priced mortgage loans. This allows examinations of disparities in high-cost, including subprime, loans among different racial and ethnic groups. It is important to remember that subprime loans are not always predatory or suggest fair lending issues, and that the numerous factors that can make a loan “predatory” are not adequately represented in available data. Therefore, actual predatory practices cannot be identified through HMDA data analysis. However, the data analysis can be used to identify where additional scrutiny is warranted, and how public education and outreach efforts should be targeted.

HMDA data report several types of loans. These include loans used to purchase homes, loans to make home improvements and refinancing of existing mortgage loans, as defined below.

- **Home purchase loan.** A home purchase loan is any loan secured by and made for the purpose of purchasing a housing unit.
- **Home improvement loan.** A home improvement loan is used, at least in part, for repairing, rehabilitating, remodeling, or improving a housing unit or the real property on which the unit is located.
- **Refinancing.** Refinancing is any dwelling-secured loan that replaces and satisfies another dwelling-secured loan to the same borrower. The purpose for which a loan is refinanced is not relevant for HMDA purposes.

The HMDA data are separated into two primary loan categories: conventional loans and government-guaranteed loans. Government-guaranteed loans are those insured by the Federal Housing Administration and Veterans Administration.

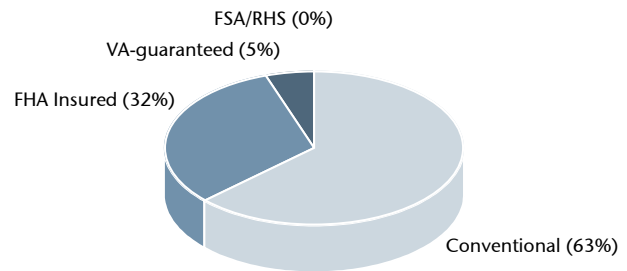
This section uses the analysis of HMDA data to uncover:

- The geographic areas in Coeur d'Alene where high-cost lending and loan denials are concentrated, and the correlation of these areas with concentrations of minority and low income households;
- Disparities in high-cost lending and loan denials across different racial and ethnic groups.

Loan denials. The most recent HMDA data available are for the 2009 calendar year. During 2009, there were about 2,800 loan applications made in Coeur d'Alene for owner-occupied homes. Sixty-three percent of these loans were conventional loans; 32 percent were FHA-insured; and the balance was VA- or FSA/RHS-guaranteed, as shown in Figure IV-10.

Figure IV-10.
Mortgage Loan Applications,
Coeur d'Alene MSA, 2009

Source:
Home Mortgage Disclosure Act (HMDA), 2009.



Sixty-five percent of these applications were for refinances; 31 percent were for home purchases. The balance consisted of home improvement loans.

Overall, 63 percent of applications were originated and 15 percent were denied. The remaining applications were withdrawn, incomplete or were not accepted upon approval.

Figure IV-11.
Action Taken on Mortgage Loan
Applications, Coeur d'Alene, 2009

Source:
Home Mortgage Disclosure Act (HMDA), 2009.

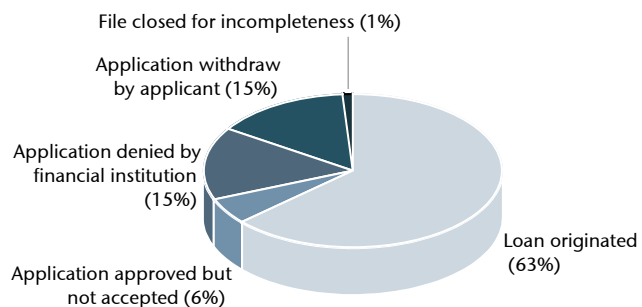
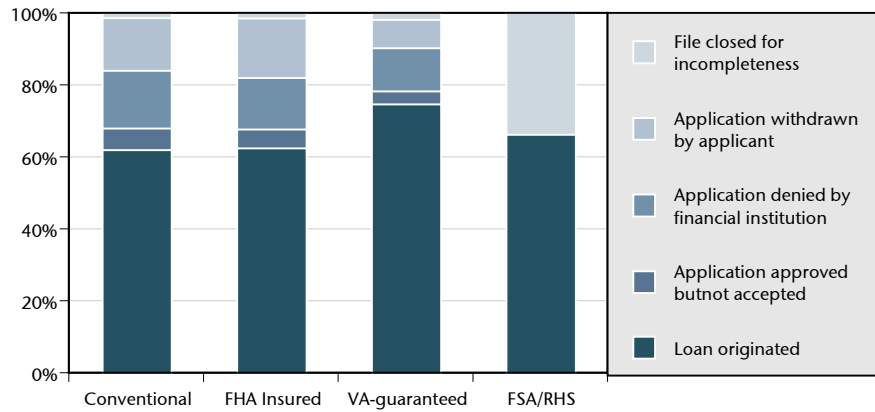


Figure IV-12 shows the result of loan applications by type of loan. Seventy-five percent of VA-guaranteed loans were originated, while conventional loan products had the highest denial rates (16 percent).

Figure IV-12.
Action Taken on Mortgage Loan Applications by Loan Type, Coeur d’Alene, 2009

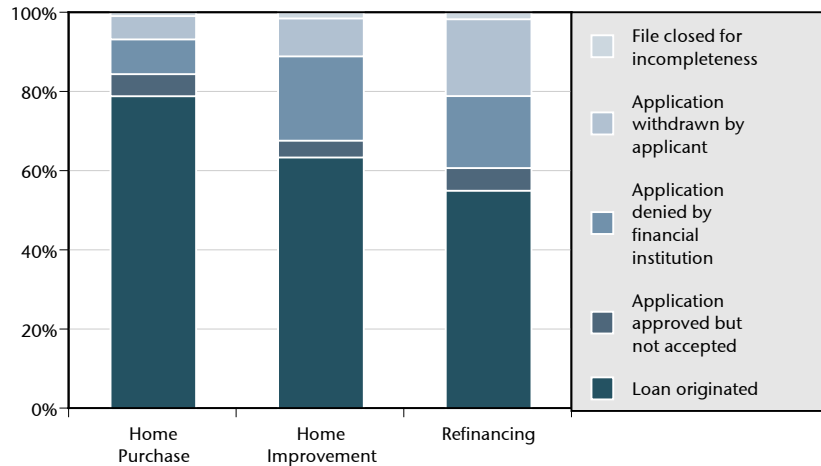
Source:
 Home Mortgage Disclosure Act (HMDA), 2009.



Loan applications for home purchases had the highest origination rates in 2009, while home improvements had the highest denial rates. Approximately 20 percent of home improvement loans were denied, indicating some difficulty in accessing home equity for home improvement projects. Only 55 percent of refinance loans originated; however, it was not entirely due to loan denial. Eighteen percent of refinance applications were denied, while 19 percent were withdrawn by the applicant.

Figure IV-13.
Result of Mortgage Loan Applications by Loan Purpose, Coeur d’Alene, 2009

Source:
 Home Mortgage Disclosure Act (HMDA), 2009.



Denial rates by race and income. As seen in Section II, 95 percent of the city’s population is racially white and 96 percent are ethnically non-Hispanic. As such, Coeur d’Alene’s racial and ethnic minority groups are small and are not well represented within HMDA. For example, 2,600 loan applicants identified their race, and only two of those applications were completed by African Americans. Additionally, only 2 percent of loan applicants identifying their ethnicity were Hispanic.

**Figure IV-14.
Result of Mortgage Loan Applications by Race/Ethnicity, Coeur d’Alene, 2009**

Note:
Loan applicants are not required to provide their race and/or ethnicity.
Overall, 2,611 applicants identified their race and 2,602 identified their ethnicity.

Source:
Home Mortgage Disclosure Act (HMDA), 2009.

	Percent of Applications
Race	
American Indian	0.4%
Asian	0.5%
Black or African American	0.1%
Native Hawaiian	0.3%
White	98.7%
Ethnicity	
Hispanic	1.9%
Not Hispanic	98.1%

Figure IV-15 presents the results of loan applications by ethnicity for the city’s residents.⁶ Little difference exists in the origination and denial rates between Hispanic and non-Hispanic residents.

**Figure IV-15.
Result of Mortgage Loan Applications by Race/Ethnicity, Coeur d’Alene, 2009**

Source:
Home Mortgage Disclosure Act (HMDA), 2009.

	Hispanic	Non-Hispanic
Loan originated	67.3%	64.7%
Application approved but not accepted	2.0%	5.5%
Application denied by financial institution	16.3%	14.8%
Application withdrawn by applicant	14.3%	14.0%
File closed for incompleteness	0.0%	0.9%

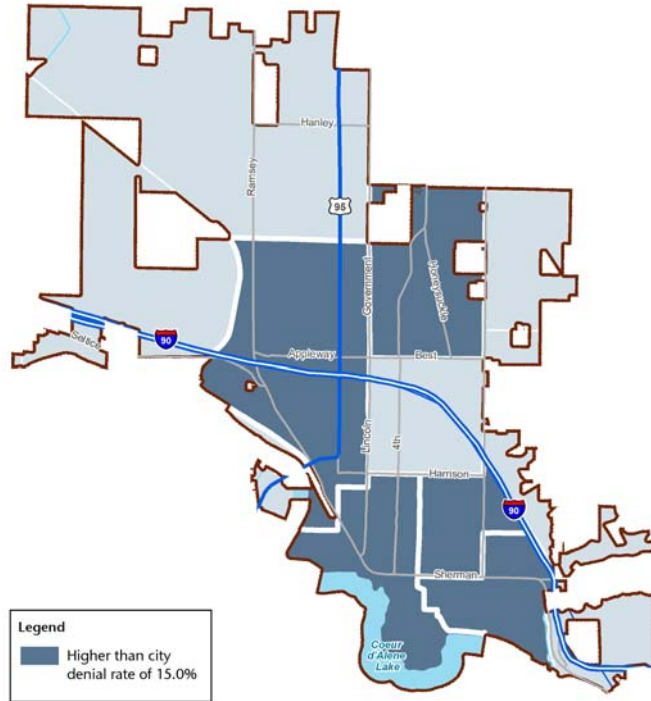
Geographic characteristics of loan applications. Geographic trends in denial rates can insinuate that certain portions of a community may have difficulty accessing capital for either home purchases, home repairs or refinancing.

The city’s overall loan denial rate was 15 percent in 2009. Five Census Tracts had denial rates that exceeded the city’s overall denial rates. These Tracts are primarily located in the central and southern portions of the city.

⁶ Too few racial minority applications were available for analysis.

Figure IV-16.
Denial Rates by Census Tract,
Coeur d'Alene, 2009

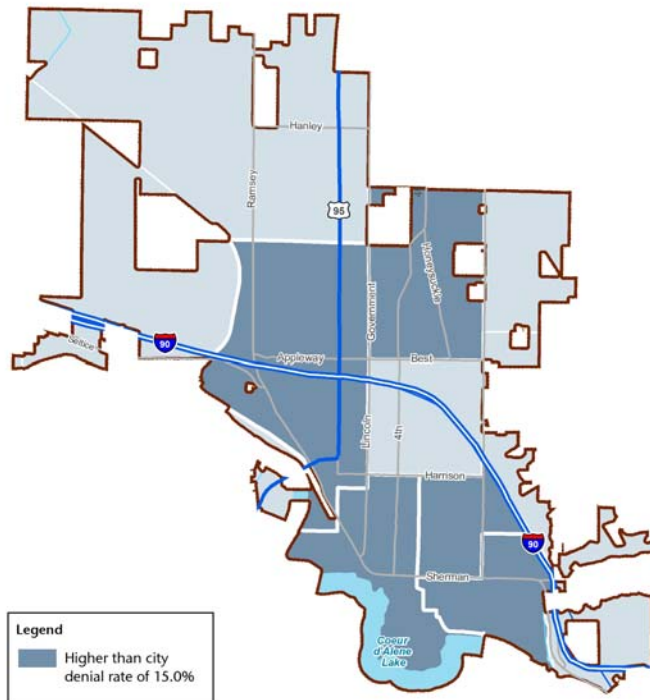
Source:
 Home Mortgage Disclosure Act (HMDA), 2009.



Home purchase loans have the highest origination rate (79 percent), as well as the lowest denial rate (9 percent). However, loan applicants in some portions of the city experienced higher denial rates when applying for home purchase loans. For example, 16 percent of home purchase applications in the southern portion of the city were denied.

Figure IV-17.
Denial Rates by Census Tract
for Home Purchase Loans,
Coeur d'Alene, 2009

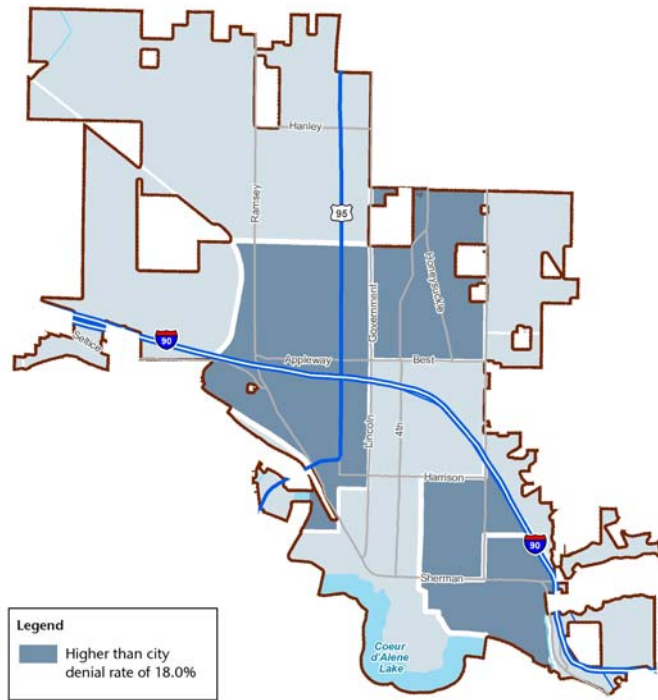
Source:
 Home Mortgage Disclosure Act (HMDA), 2009.



Creative financing employed during the housing boom expanded homeownership opportunities across the U.S. However, creative financing options such as adjustable rate mortgages or balloon payments quickly lead to higher monthly payments for residents and often increase the financial challenges associated with maintaining homeownership. As a result, the demand to refinance existing mortgages has increased to capitalize on low interest rates and try to stabilize monthly payments. Eighteen percent of refinance applications were denied for Coeur d'Alene residents in 2009. Denial rates for refinance applications exceeded the city-wide average in the Census Tracts highlighted in Figure IV-18.

Figure IV-18.
Denial Rates by Census Tract for Refinance Loans, Coeur d'Alene, 2009

Source:
 Home Mortgage Disclosure Act (HMDA), 2009.



Reasons for loan denials. Forty percent of loans were denied due a lack of collateral, and an additional 25 percent were denied because of a poor debt-to-income ratio. More specifically, a lack of collateral was most commonly cited for denials of refinance loans, and a poor debt-to-income ratio was most commonly cited in denials of loans for home purchase.

Figure IV-19.
Reasons for Loan Denials, Coeur d'Alene, 2009

Source:
 Home Mortgage Disclosure Act (HMDA), 2009.

Reasons for Denial	Percent
Collateral	39.9%
Debt-to-income ratio	24.8%
Credit history	13.3%
Other	12.2%
Unverifiable information	3.8%
Insufficient cash	2.8%
Credit application incomplete	2.1%
Employment history	0.7%
Mortgage insurance denied	0.3%

Subprime analysis. This section examines the prevalence of subprime loans in Coeur d'Alene. Overall, a very low 2 percent of originated loans in 2009 were considered subprime. As seen in Figure IV-20, residents in some portions of the city were more likely to receive subprime loan products than other portions of the city. For example, 5 percent of all loan originations occurred in Census Tract 13; however, 14 percent of all subprime loans occurred within this Tract.

Figure IV-20.
Distribution of Loan Originations and Subprime Loans, Coeur d'Alene, 2009

Source:
 Home Mortgage Disclosure Act (HMDA), 2009.

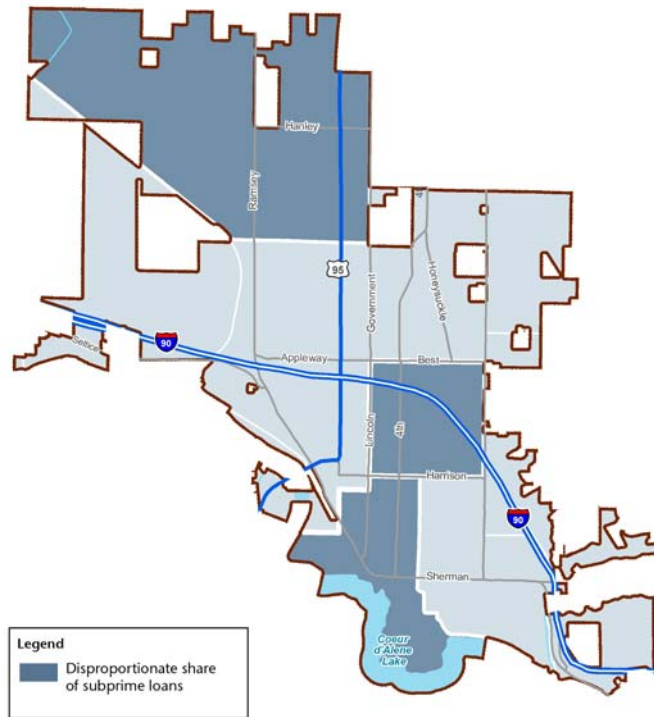
Census Tract	Percent Originations	Percent Subprime
7	52.9%	56.8%
8	9.5%	5.4%
9	2.8%	0.0%
12	12.1%	10.8%
13	5.4%	13.5%
14	4.5%	5.4%
15	7.0%	5.4%
16	5.9%	2.7%

Figure IV-21 maps Census Tracts where the share of subprime loans exceeds the share of loan originations in Coeur d'Alene.

Figure IV-21.
Disproportionate Share of Subprime Loans, Coeur d'Alene, 2009

Note:
 Highlighted Census Tracts have higher shares of subprime loans than share of loan originations.

Source:
 Home Mortgage Disclosure Act (HMDA), 2009.



Complaint and Legal Analysis

Complaint analysis. Coeur d'Alene residents who feel that they might have experienced a violation of the Fair Housing Act can contact one or more of the following organizations: HUD's Office of Fair Housing and Opportunity (FHEO), the Idaho Housing and Finance Association (IHFA), the Intermountain Fair Housing Council (IFHC), Idaho Legal Aid and the Idaho Human Rights Commission.

Legal Aid and the Idaho Human Rights Commission refer residents who call about fair housing complaints directly to HUD. Similarly, IHFA does not enforce fair housing law and would refer complaints to the appropriate service provider. Tenants or those wishing to pursue a complaint would be referred to local/statewide enforcement entities and/or to HUD's toll-free Fair Housing line, while providers would be referred to either to a HUD/FHEO specialist or to the housing hotline to determine an appropriate referral. Recently, IHFA established a 2-1-1 line that residents can use to get information about their fair housing questions and concerns.

Housing discrimination complaints filed with HUD may be done online at (<http://www.hud.gov/complaints/housediscrim.cfm>), toll free at 1-800-669-9777, or by contacting the Office of Fair Housing and Equal Opportunity in Washington D.C. or Idaho's Fair Housing Hub located in Seattle, Washington.

When HUD receives a complaint, HUD will notify the person who filed the complaint and will normally notify the alleged violator and allow that person to submit a response. The complaint will be investigated to determine whether there has been a violation of the Fair Housing Act.

A complaint may be resolved in a number of ways. First, HUD will try to reach an agreement between the two parties involved. A conciliation agreement must protect the filer of the complaint and public interest. If an agreement is signed, HUD will take no further action unless the agreement has been breached. HUD will then recommend that the Attorney General file suit.

If HUD has determined that a state or local agency has the same housing powers ("substantial equivalency") as HUD, they will refer the complaint to that agency and will notify the complainant of the referral. The agency must begin work on the complaint within 30 days or HUD may take it back. If, during the investigative, review, and legal process, HUD finds that discrimination has occurred, the case will be heard in an administrative hearing within 120 days, unless either party prefers the case to be heard in Federal district court. Idaho and Coeur d'Alene do not currently have substantial equivalency nor are they seeking such.

HUD fair housing complaints. As part of the AI, BBC obtained data from HUD's Seattle Regional Office of Fair Housing and Equal Opportunity (FHEO) about the number of housing discrimination complaints filed from 2000 through 2010 in the City of Coeur d'Alene. These complaints were filed by persons living in Coeur d'Alene, as well as by persons living outside of Coeur d'Alene who filed a complaint against a person or entity in the city. Figure IV-22 presents complaints by year. Eight complaints were filed with HUD in 2010, which is the highest number of complaints during the 10 year period examined. No complaints were filed in 2005 and 2008.

Figure IV-22.
HUD Complaints, Coeur
d’Alene, 2000 to 2010

Source:
 HUD.

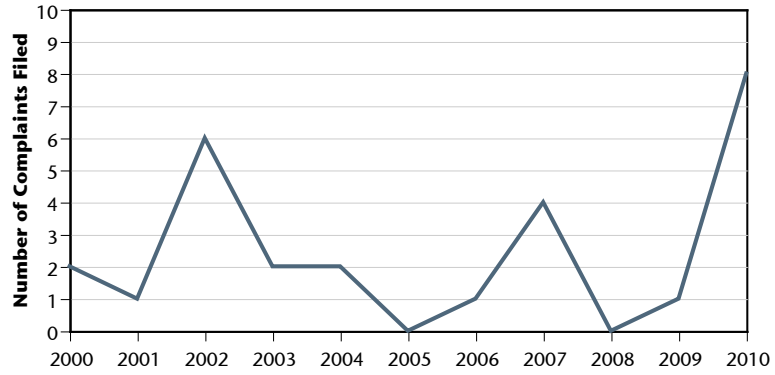


Figure IV-23 summarizes the basis for issued complaints. Nearly all complaints were filed on the basis of discrimination against a person with a disability. More specifically, failure to make reasonable accommodations for persons with disabilities, discriminatory terms/conditions/privileges of services or facilities; and discrimination in terms/conditions/privileges related to rental opportunities were the top three reasons disability-related complaints were filed by Coeur d’Alene residents or against persons and/or entities in Coeur d’Alene between 2000 and 2010.

Figure IV-23.
Basis for HUD Complaints, Coeur d’Alene, 2000 to 2010

Disability	Family Status	Race
<ul style="list-style-type: none"> ➤ Failure to make reasonable accommodation ➤ Discriminatory terms/conditions/privileges of services or facilities ➤ Discrimination in terms/conditions/privileges in renting ➤ Steering ➤ Discriminatory acts under Section 818 ➤ Refusal to rent ➤ Discrimination in the selling of a property ➤ Non-compliance with design and construction of handicap requirements ➤ Discriminatory terms/conditions/privileges related to a home sale ➤ Using ordinances to discriminate in zoning and land use 	<ul style="list-style-type: none"> ➤ Refusal to rent ➤ Discriminatory terms/conditions/privileges of services or facilities 	<ul style="list-style-type: none"> ➤ Discrimination in terms/conditions/privileges relating to a sale

Note: Complaints can be filed on the basis of more than one protected class or issue.
 Source: HUD.

Legal Analysis. As part of fair housing analysis, recent legal cases were reviewed to determine significant fair housing issues and trends in Idaho. A search of the National Fair Housing Advocate case database and PACER (Public Access to Court Electronic Filings) yielded three cases that are examined below. The important fair housing issues in these cases and subsequent outcomes are described below and are intended to serve as examples of the types of fair housing cases that can arise.

United States v. Hallmark Homes, et al. In February, 2006, the Court entered the Consent Decree resolving all claims in United States v. Hallmark Homes, Architects West, and Kevin W. Jester. The complaint, which was filed August 22, 2001, alleged that the defendants, who were the contractor

and architects, failed to design and construct the Creekside Meadows Apartment Complex, located in Coeur D'Alene, Idaho, to meet the accessibility requirements of the Fair Housing Act.

The defendants were ordered to pay \$115,000 into a retrofit fund and the owner of the property was to oversee all necessary retrofits to the public and common use areas and to the covered units during the upcoming year. In addition, the defendants were ordered make a payment of \$2,000 to a regional fair housing organization. The case was referred to the Division after the Department of Housing and Urban Development (HUD) received a complaint, conducted an investigation, and issued a charge of discrimination.

Intermountain Fair Housing Council (IFHC) v. Chief Seltice Mobile Home Park and Jeanie Peery.

In September 1995, M.T. (complainant) entered into a lease with the Chief Seltice Mobile Home Park in Post Falls, Idaho. In April 2007, M.T. obtained a service dog and submitted a prescription from her treating physician for the service animal, although at the time, dogs were allowed at the property. In April 2009, Defendant Peery, the owner of the mobile home park, asked the property manager to notify all tenants that they must remove their dogs from the property or have their leases terminated. The property manager notified the property manager that he could not force M.T. to remove her dog because it is a service animal for which she properly requested a reasonable accommodation with a prescription. Defendant Peery said that she would terminate M.T.'s lease regardless of the fact that M.T. had a service animal. In the same month, M.T. received a letter stating that her lease would be terminated due to the presence of her dog. M.T. subsequently filed a complaint against the property owner and the IFHC became involved. On several following occasions the IFHC tested the property and found additional evidence of the discriminatory practices. In June, 2009 the plaintiff filed a complaint with HUD alleging discrimination on the basis of disability and refusal to make reasonable accommodations.

Within the complaint and demand for jury trial, the Plaintiff asks the court to enter judgment against the defendant requiring damages in compensation for out-of-pocket expenses, lost economic opportunity, diversion of the Plaintiff's resources, punitive damages and frustration to the Plaintiff. Additionally, the plaintiff's attorney requests the court to enter an order establishing a Victims' Compensation Fund. Currently this case is scheduled for trial on February 7, 2011, unless the parties are able to reach a settlement.

Garcia v. Brockway. In May 2003, the plaintiff filed a complaint against the original owner/developer and designer of his apartment building, alleging failure to accommodate a disability as mandated by the Fair Housing Act. The defendants sold the complex in 1994 and had no stake it at the time of the complaint. Alleged violations included inaccessible public and common portions of the dwelling, doorways insufficiently wide to allow for passage of persons in wheelchairs, and inaccessible features in the kitchen, bathroom and inaccessibility of other features. The plaintiff also claimed the defendant failed to reasonably accommodate any modifications to the unit.

The defendants argued that because they no longer owned the building, their liability was time-barred by the statute of limitations in the Fair Housing Act. Thus, the plaintiff's complaint would have had to been filed within two years following construction of the apartment building in 1993. The plaintiff countered, arguing that the failure to remodel the apartments constituted a continuing violation and that the statute of limitations take effect upon discovery of the alleged violations. The Plaintiff also claimed that failure to make modifications constituted new violations.

The court ruled that the continuing accessibility issues were an effect of a prior discriminatory act but not a continuing violation. The argument that the two-year statute of limitations should begin at discovery of a violation was deemed unworkable as a developer would be liable for these violations indefinitely in spite of his or her ownership of the complex. Finally, the original developer was not found to be liable for refusal to make modifications while current management company was at fault. The defendant still had a remedy under the FHA with building owners, but his motion against the developers was dismissed.

Intermountain Fair Housing Council v. Rafter's Square LLC. In July, 2009 T.J. applied for a rental dwelling at Hillcrest Apartments (owned by defendant Rafter's Square LLC.) in Nez Perce, Idaho. T.J. is a handicapped person who requires the assistance of a service animal (a cat). Upon viewing the dwelling for which she applied, she was told by an agent for the Defendant she could not reside at the Hillcrest Apartments with an animal. T.J. then requested a reasonable accommodation of the Defendant by stating that she is disabled and that her animal is prescribed for her disability. The defendant refused to honor the reasonable accommodation request. T.J.'s disability therapy technician as well as IHFC testers were also denied reasonable accommodation requests and their request for rental was denied. On behalf of T.J., the IHFC filed a complaint with HUD in July, 2009 alleging discrimination on the basis of disability and refusal to make reasonable accommodations.

On January 25, 2011 the court filed a consent order which acknowledged discrimination on the basis of disability and refusal to make reasonable accommodations. The defendant was ordered to pay monetary damages of \$13,750, attend a Fair Housing Act education class, and operate in compliance with the Fair Housing Act.

SECTION V.
Impediments and Fair Housing Action Plan

SECTION V.

Impediments and Fair Housing Action Plan

Summary of Findings

A summary of the findings from Sections II, III and IV are presented below.

Demographics. Coeur d’Alene is a growing community. Its current population of nearly 44,000 residents is the result of the city more than doubling its population in the last 30 years. Despite growth, the city has not experienced a substantial increase in racial and ethnic diversity. Racially, 95 percent of its population is white and 96 percent are ethnically non-Hispanic. Although still small in size, the city’s Hispanic population has grown since 2000 and now accounts for 4 percent of its total population, compared with 2 percent in 2000.

Since 2000, the proportion of the city’s extremely low- and low-income households has not changed, whereas the proportion of households considered middle/upper income has increased. This trend is often referred to as the “barbell effect,” where the disparity grows between the wealthiest and poorest individuals. The local job market primarily provides jobs for the city’s low and moderate income residents. According to the Idaho Department of Labor, the average weekly wage for jobs in Kootenai County is \$595 per week, which equates to annual salary of \$31,000 for full-time employment.¹ Growth in the highest income households is likely from new households moving into the community.

Housing market analysis. In the last 10 years, the distribution of rental rates in the city has shifted to include a much larger proportion of rental rates of \$500 or more. For example, in 2000, 5 percent of the city’s rental units required rents of \$750 to \$999, compared with 26 percent in 2009. Thankfully, the household income of renters has increased to accommodate for increased housing costs. Overall, renters in the city expressed satisfaction with their housing situation, but did cite challenges associated with locating affordable and quality housing opportunities.

Increased home prices are not limited to the rental market. Since 2000, the value distribution of owner-occupied homes in the city now includes a noticeably larger proportion of homes worth \$200,000 or more. Although this is good news for longtime homeowners, this creates challenges for current renters interested in homeownership.

Homeowner satisfaction was not as apparent as renter satisfaction, which aligns with the sentiment of homeowners across the country. Homeowners in the city have not escaped the fear of foreclosure and negative equity that has defined the national housing market in the last three to four years. Furthermore, homeowners participating in the survey discussed the poor quality of their homes and the need for home repairs.

¹ This calculation assumes a 52 week work year.

Resident and stakeholder survey. The majority of residents (79 percent) did not believe they have experienced discrimination in Coeur d'Alene.² Only 7 percent of respondents cited discrimination that fell under fair housing law. These discriminatory acts included discrimination because of a mental illness and familial status.

Residents understand that complaints should be formally filed when individuals experience housing discrimination. Survey respondents would be most likely to contact members of the legal community or IHFA if they wanted to file a fair housing complaint, as opposed to HUD.

Stakeholders play an important role in furthering fair housing in Coeur d'Alene. Stakeholders assist clients in finding affordable housing, and they may also assist clients in filing fair housing complaints. Sixteen percent of stakeholders said it was "somewhat likely" for their clients to experience discrimination. However, many felt that there was unreported discrimination occurring in the city, particularly related to familial status and the presence of either a physical and/or mental disability. Stakeholders identified the top three barriers to fair housing in Coeur d'Alene as the following:

- Income levels of minority and female-headed households;
- Lack of knowledge among residents regarding fair housing; and
- Lack of knowledge among small landlords regarding fair housing

Zoning, land use and housing policy review. A zoning, land use and housing policy review was completed in conjunction with a statewide AI in 2011. The statewide study revealed no fair housing barriers in Kootenai County. Coeur d'Alene provides even more options for developing density and increasing affordability, which means that no major fair housing barriers likely exist in the city, as well.

Affordable Housing and Public Housing Review. Affordable housing programs available to Coeur d'Alene residents include the Low Income Housing Tax Credit (LIHTC) program; the HOME program; the Project-Based Section 8 program; and the Section 8 Housing Choice Voucher program.

As of January 2011, there were 12 low-income housing tax credit and HOME developments in Coeur d'Alene. These developments had 554 family units, 146 units for seniors, and 108 were accessible to persons with disabilities.

Of the Project-Based Section 8 units in Coeur d'Alene, 156 are designated as family units, 210 units are set aside for the elderly, and 37 units are accessible to persons with disabilities.

The Idaho Housing and Finance Association administers the Section 8 program through four branch offices statewide, including an office in Coeur d'Alene. As of January of 2011, 366 Section 8 Vouchers were being used by households residing in Coeur d'Alene. Section 8 Vouchers play an important role in housing disabled residents in Coeur d'Alene. Currently, 223 Vouchers (61 percent) are being used by families with at least one disabled family member. The current Section 8 waitlist is extensive and requires a 3 year wait or longer for a Voucher.

² The remaining 21 percent of respondents were equally split between residents who had experienced discrimination and those that were unsure.

Fair lending analysis. Sixty-three percent of loan applications submitted by Coeur d'Alene residents in 2009 originated. Loan applications for home purchases had the highest origination rates in 2009, while home improvements had the highest denial rates. More than one in five home improvement loans were denied, indicating some difficulty in accessing home equity for home improvement projects. Only 55 percent of refinance loans originated; however, it was not entirely due to loan denial. Eighteen percent of refinance applications were denied, while 19 percent were withdrawn by the applicant.

The city's small minority population made lending analysis by race and ethnicity challenging. Despite comprising 4 percent of the total population, less than 2 percent of loan applications were submitted by Hispanic residents of the city. Loan applications submitted by Hispanic residents had higher origination rates, as well as slightly higher denial rates, because non-Hispanics were more likely to withdraw their loan applications.

Complaint and legal analysis. Residents of Coeur d'Alene file fair housing complaints directly to HUD. Eight complaints were filed with HUD in 2010 by residents of Coeur d'Alene or against persons/organizations located in Coeur d'Alene. This represents the highest number of complaints during the 10 year period examined for this study.

Nearly all complaints were filed on the basis of discrimination against a person with a disability. Discrimination against a person with a disability can include a failure to make reasonable accommodations for persons with disabilities; discriminatory terms/conditions/privileges of services or facilities; and discrimination in terms/conditions/privileges related to rental opportunities.

Positive Fair Housing Activities

Since the 2007 AI was completed the city has been active in increasing public knowledge of fair housing and has worked hard to make the city's sidewalks more accessible to persons with disabilities. Specific activities include the following:

- The city coordinates with the Intermountain Fair Housing Council to provide annual free fair housing training to the community to ensure that residents are knowledgeable about their rights under fair housing law;
- The city has a link on its website which provides fair housing resources to residents;
- City staff recently presented a fair housing education piece to the Coeur d'Alene City Council and Planning Commission, which also discussed issues related to affordable housing;
- City staff annually presents a fair housing support proclamation to the local Disability Action Center;
- A HUD equal housing opportunity poster is displayed in City Hall;
- An annual legal notice is made to announce the city's Fair Housing Resolution in support of fair housing month each April; and,

- The city has been actively working on ADA sidewalk compliance for the past three years, which includes the following activities:
 - 250 cast in place truncated domes;
 - 73 surface mounts truncated domes;
 - 10,124 square feet of sidewalk replacement;
 - 1,135 linear feet of grinding;
 - The Street Department meets annually with a committee of citizens to discuss the 5 year plan area for sidewalk enhancements, many of whom are disabled;
 - The city offers a \$500 incentive for homeowners to fix their sidewalks; and,
 - Annually, the city allocates a portion of CDBG money toward sidewalk enhancements in an LMI census tract area, and two years worth of funding was pooled and will be used for a large sidewalk project in the spring of 2011.

2011 Impediments and Fair Housing Action Plan

The following section presents the 2011 impediments and the Fair Housing Action Plan (FHAP) for Coeur d'Alene. Impediments and FHAP action items are primarily continued from the 2007 AI, but are updated to reflect more recent information and recommendations.

Summary of impediments. The following impediments were identified as part of the 2011 AI update for the city. All impediments were also presented as part of the 2007 AI, and are updated with current information.

- **Citizens could be better informed about fair housing issues.** The city offers fair housing handbooks and posters, in addition to pamphlets with local resources for housing and social services assistance. The city has actively implemented training for residents and City Council and has made a commitment to promoting fair housing throughout the community. However, as seen in the resident and stakeholder surveys, residents are still unsure where to file a fair housing complaint and stakeholders still believe discrimination goes unreported in the city.

Note: This impediment was found to exist in both 2007 and 2011.

- **Landlords, developers and HOAs would benefit from more education about fair housing laws and ADA.** As described in the 2007 AI, a review of legal cases and testing performed by the Intermountain Fair Housing Council suggests that property owners and landlords can be ignorant of many aspects of the Fair Housing Law, particularly reasonable accommodations, ADA compliance in construction, rights of persons with disabilities and rights of families. The survey conducted for the 2007 Consolidated Plan suggests that familial status and disability are the top reasons that residents are discriminated against in Coeur d'Alene. The 2011 stakeholder survey also cited familial status and disability as the top reasons that residents are discriminated against in Coeur d'Alene. As part of this AI update, HOAs are also included as an entity that could benefit from more education about fair housing laws and ADA. Housing growth in the last decade

resulted in the formation of new HOAs in many growing cities across the U.S. HOAs are guided by Covenants, Rules and Restrictions (CR&R) that must comply with fair housing guidelines, although many HOAs are unaware of fair housing law and their responsibility to comply with the law.

Note: This impediment was found to exist in both 2007 and 2011.

- **Lack of accessible sidewalks.** The city’s sidewalks are maintained by property owners in the residential and commercial developments abutting them. A condition survey in 2007 found that many sidewalks are chipped, cracked, broken and, as such, are not in a condition that persons in wheelchairs or who are sight-impaired can easily use.

Note: This impediment was found to exist in 2007.

- **Lack of accessible parking downtown.** An attendee of one of the focus groups conducted for the Consolidated Plan in 2007 mentioned that parking downtown is very difficult for persons with physical disabilities—specifically, that handicapped spots are too limited and are not in convenient locations to access downtown services.

Note: This impediment was found to exist in 2007.

Recommendations. The following Fair Housing Action Plan is recommended for the city:

- **Increase resident awareness of fair housing law and the complaint process.** The City of Coeur d’Alene should bolster its public outreach and education of fair housing laws.
 - At least once a year, the city should continue to sponsor a fair housing workshop (this might be part of another community event) that offers information about the Fair Housing Act to citizens and includes representatives from organizations that receive and process complaints. The presentations made at this workshop should be televised on the city’s public access channel.
 - In addition, the city should continue to actively distribute materials—brochures, posters and videos—about fair housing law and the complaint process through its schools, library, community centers and other similar venues. The city should change these materials frequently to keep them “fresh” and noticed. Videos and brochures are available through the Fair Housing Council of Oregon, an excellent resource on fair housing issues (<http://www.fhco.org/>). In addition, the Idaho Housing and Finance Association distributes free fair housing calendars that the city could obtain and make available at public venues (http://www.ihfa.org/fair_housing_calendar.asp).
 - The city should seek partnerships with IHFA to further fair housing education.
- **Continue to educate developers, property owners/landlords and HOAs about ADA and fair housing laws.** At least every two years, the city should sponsor a class for real estate professionals, especially developers and property owners/landlords about fair housing law and compliance. An excellent resource to conduct such a training would be the Fair Housing Council of Oregon (<http://www.fhco.org/>). The city should require the class for any developer/real estate organization receiving city funding and/or fee waivers.

The city should also reach out to HOAs in Coeur d'Alene. The city should develop a presentation and brochure targeted to Homeowners Associations (HOAs) that gives information about fair housing laws and provides examples of how HOAs might create impediments to fair housing choice and violate fair housing law in their activities. The brochures should be distributed to all HOAs who are active in the city.

- **Increase internal knowledge and resources about fair housing law.** We recommend that the city develop a fair housing resource list for distribution to all relevant departments, identify contact people within the departments, conduct fair housing training with the department contacts and coordinate distribution of fair housing materials to these contacts. Department contacts should be employees who have direct contact with the public in any capacity of housing and community development, community development or social services.
- **Continue to improve sidewalks and parking for persons with physical disabilities.** The city has a stated goal to bring its sidewalks into compliance with ADA. The city has taken a number of positive steps to improve the overall quality and increase accessibility of its sidewalks. Moving forward, the city should continue these activities. Additionally, the city should continue to work with persons in the community who are disabled to understand the problems with sidewalks and handicapped parking in downtown and other key areas of the city and explore how to make improvements to the parking situation.

Addressing HUD Concerns. As part of this AI, it has been noted that the city's residents are primarily non-minorities. For example, as seen in Section II, African American residents comprise 1 percent of the city's population and Hispanic residents comprise 4 percent. African Americans have historically had a lower median household income compared to the city overall, whereas Hispanic households have had higher median household incomes. Most recently, the median household income for Coeur d'Alene's African American and Hispanic households were \$14, 571 and \$72,988, respectively.³

The city is committed to addressing housing needs of all its residents, including its minority households. As seen in Section III (Housing Market Analysis), the city does contain a relatively expensive housing stock and has accordingly made a concerted effort to increase its stock of affordable housing units for the city's residents. These efforts are discussed in the city's Consolidated Plans, as well as in Section III under Goals 1 and 2.

As part of this AI, survey analysis and complaint analysis did not reveal lower awareness or greater fair housing violations for racial and ethnic minorities; however, outreach and education activities proposed will benefit minorities, as well as the overall population. Most barriers identified were related to protected class of disability; therefore the FHAP (discussed above) focuses on persons with disabilities.

³ Statistic for African American households was from the ACS 2005-2009 5-year estimate, as it was not available in the ACS 3-year estimate. Statistic for Hispanic households was from ACS 2007-2009 3-year estimate.

Timeline, Oversight, Monitoring and Evaluating the Implementation of the FHAP and HUD Concerns

Figure V-1 on the following page summarizes the timeline that will be used by the city to implement the FHAP, as well as address HUD concerns.

**Figure V-1.
Implementation Timeline for FHAP and HUD Concerns**

FHAP Action Item	Impediments Addressed	Activities	Goals					Accomplishments				
			2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Increase resident awareness of fair housing laws and the complaint process.	<ul style="list-style-type: none"> ▪ Citizens could be better informed about fair housing issues. ▪ Landlords, developers and HOAs would benefit from more education about fair housing laws and ADA. 	<ul style="list-style-type: none"> ▪ City will continue annual sponsorship of the free fair housing training, open to the general public. 	1	1	1	1	1	1				
		<ul style="list-style-type: none"> ▪ City will continue to provide valuable housing links on its website 	1	1	1	1	1	1				
		<ul style="list-style-type: none"> ▪ City will continue to provide an annual Fair Housing Month proclamation. 	1	1	1	1	1	1				
Continue to educate developers, property owners, landlords and HOAs about ADA and fair housing laws.	<ul style="list-style-type: none"> ▪ Citizens could be better informed about fair housing issues. ▪ Landlords, developers and HOAs would benefit from more education about fair housing laws and ADA. 	<ul style="list-style-type: none"> ▪ City will continue to utilize the local PEG channel to air fair housing commercials and educational PSAs. 	1	1	1	1	1	1				
		<ul style="list-style-type: none"> ▪ City will work with other agencies to assemble an informational brochure to hand out at meetings and other venues. 	0	1	1	1	1	0				
Increase internal knowledge and resources about fair housing law.	<ul style="list-style-type: none"> ▪ Citizens could be better informed about fair housing issues. 	<ul style="list-style-type: none"> ▪ City to continue to provide PEG channel educational material, brochures and annual free trainings to the public. 	1	1	1	1	1	1				
Continue to improve sidewalks and parking for persons with physical disabilities.	<ul style="list-style-type: none"> ▪ Lack of accessible sidewalks. ▪ Lack of accessible parking downtown. 	<ul style="list-style-type: none"> ▪ City will continue its sidewalk enhancement projects and ADA sidewalk improvements annually, geographic locations planned for five years (est. annually 6,500 lineal feet of sidewalk poured/replaced with associated ped ramps) 	1	1	1	1	1	1				
		<ul style="list-style-type: none"> ▪ City will have the Parking Commission to review the downtown parking and make recommendations. The city is currently master planning the main city parking lot, which serves the downtown area. 	0	1	1	1	1	0				
HUD Concerns	Impediments Addressed	Activities	Goals					Accomplishments				
			2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Address housing needs of racial and ethnic groups.	<ul style="list-style-type: none"> ▪ Citizens could be better informed about fair housing issues. 	<ul style="list-style-type: none"> ▪ Continue efforts to construct affordable housing in the city, as discussed in Goals 1 and 2 in Section III of AI 	1	1	1	1	1	1				

Source: BBC and the city of Coeur d'Alene.

The completion of this AI was overseen the city of Coeur d'Alene's staff. The city will be ultimately responsible for carrying out the Fair Housing Action Plan. To ensure that each activity is carried out, the city will conduct an evaluation of each activity during each program year and identify additional areas that require study or analysis and how to address the additional areas. As part of the annual Consolidated Annual Performance and Evaluation Report (CAPER), the city will include a summary of the following:

- Actions taken to affirmatively further fair housing;
- A summary of impediments to fair housing choice in the Analysis of Impediments (AI); and
- Identify actions taken to overcome effects of impediments identified in the AI.

Per Section 2.14 in HUD's Fair Housing Planning Guide, the city will maintain the following data and information as documentation of the city's Fair Housing Action Plan:

- A copy of the AI and any updates.
- A list of actions taken each year as part of the Fair Housing Action Plan to eliminate the impediments identified in the AI.

APPENDIX A.
Land Use Regulations as Barriers to
Affordable Housing

APPENDIX A.

Land Use Regulations as Barriers to Affordable Housing

Introduction

The ability of private real estate markets to meet affordable housing needs is strongly affected by zoning, subdivision, and land development regulations adopted by local governments. In many cases, local regulations that are intentionally or unintentionally exclusionary can offset the impact of affordable housing subsidies or increase the amount of subsidies necessary for the market to meet affordable housing needs.¹ In *Zoned Out*, analyst Jonathan Levine recently documented the impact of zoning regulations on the supply of affordable housing, and his findings confirm the conclusions of several earlier studies.

For example, a 1998 study of regulatory barriers to affordable housing in Colorado identified five separate types of barriers, including zoning and subdivision controls.² The other areas were development processing and permitting, infrastructure financing mechanisms, building codes, and environmental and cultural resource protection tools. In the area of zoning and subdivision, the Colorado study identified four specific types of barriers:

- Minimum house size, lot size, or yard size requirements;
- Prohibitions on accessory dwelling units;
- Restrictions on land zoned and available for multifamily and manufactured housing; and
- Excessive subdivision improvement standards.

Similarly, in 2007, a nationwide study prepared by the National Association of Home Builders for the U.S. Department of Housing and Urban Development documented which types of subdivision regulations have the greatest impacts on housing costs.³ After establishing benchmark standards representing their estimates of the minimums necessary to protect public health and safety, the study compared the cost of building single family housing under those benchmark standards with actual costs of home construction. The study concluded that:

¹ Levine, Jonathan, *Zoned Out* (RFF Press, Washington, D.C., 2006).

² Colorado Department of Local Affairs, *Reducing Housing Costs through Regulatory Reform* (Denver: Colorado Department of Local Affairs, 1998).

³ *Study of Subdivision Requirements as a Regulatory Barrier*. EcoNorthwest, for National Association of Homebuilders Research Center, 2007.

- 65 percent of the added costs were caused by minimum lot size requirements; and
- 9 percent of the added costs were caused by lot width requirements.

A third contributor was minimum house size requirements. Although only eight percent of local governments impose those controls, they were responsible for 17 percent of the added costs in those cities and counties that use them. Using 2004 data, the study concluded that subdivision regulations exceeding baselines for public health and safety added an average of \$11,910 (4.8%) to the price of a new home.

In addition, in *U.S. ex. rel. Anti-discrimination Center v. Westchester County*⁴, a U.S. District Court confirmed that local government eligibility for federal Community Development Block Grant Funds requires certification that the city or county is in compliance with the federal Fair Housing Act Amendments of 1988. That, in turn, requires that the local government (a) conduct an analysis of impediments to fair housing, (b) take actions to address the effects of those impediments, and (c) maintain records of the analysis and the steps taken. In addition to barriers based on income, the analysis cannot ignore issues of racial segregation or the role of public resistance in perpetuating economic or racial segregation.

For all of these reasons, it is important that local governments review their zoning, subdivision and land development regulations to ensure that they do not create barriers to private production of affordable housing, and that they include appropriate tools that could spur private production of affordable housing to fill identified gaps in housing supply.

This following information is organized into three sections:

- General Guidance on Avoiding Barriers to Affordable Housing
- County-by-County Review of Land Use Regulations
- Idaho Summary and Conclusions

General Guidance on Avoiding Barriers to Affordable Housing

Because the character, development patterns, and future plans of each county are different, their zoning, subdivision, and development controls will also differ. No two county codes could or should read alike. However, there are several land use practices that can help reduce barriers to housing choice, and counties should review their regulations to ensure that they do not include unintentional barriers in these areas. In some cases, the most appropriate areas for some of these tools to be implemented may be in existing urbanized areas or near incorporated towns and cities.

⁴ 495 F.Supp.2nd 375 (S.D.N.Y. 2007).

County land use regulations that attempt promote housing choice should include as many of the following tools as is consistent with the county's future development plans. While it is not necessary that each county code include all of these types of provisions, including more of them will further reduce barriers to housing choice.

- **Purpose Statement.** The code should reflect the county's purpose to provide housing choice for its residents and to comply with applicable federal and state law regarding housing choice.
- **Small Lots.** At least one zone district (or overlay district, or permit system) that allows small lots for single family detached housing in some locations. While the appropriate minimum lot size will vary with the character of the county, a zone allowing minimum lot sizes in the 3,000-6,000 square foot range would be appropriate for more urbanized areas of many counties. In addition, lot width requirements should be reasonable and consistent with minimum lot sizes; while some codes require minimum lot widths of 70 feet or more, small homes can be constructed on lots as narrow as 40 feet (or even less). Minimum lot size requirements are the type of regulation most responsible for increasing housing costs.
- **Multi-family Parcels.** At least one zone district (or overlay district, or permit system) that allows the construction of multi-family housing, and mapping enough land into this district to allow a reasonable chance that some multi-family housing will be developed. In many rural counties, these mapped areas may be close to incorporated or urbanized areas. Maximum heights should be reasonable and consistent with the maximum density permitted; avoid mapping areas for multi-family densities and then imposing height restrictions that prohibit efficient development at those densities. Failure to provide opportunities for multi-family development has been identified as one of the four leading regulatory causes of increased housing costs.
- **Manufactured Homes.** Manufactured housing meeting HUD safety standards should be allowed somewhere (per the federal Manufactured Housing Act of 1974). While restricting these homes to manufactured home parks is common, the better practice is to allow them in at least one residential zone where the size and configuration matches the scale and character of the area.
- **Minimum House Sizes.** The zoning and subdivision regulations should not establish minimum house or dwelling unit sizes (beyond those in the building code). Minimum house size requirements have also been identified as a significant cause of increased housing price in those communities where they are in place.
- **Group Housing.** The code should clarify that housing for groups protected by the Fair Housing Act Amendments of 1988 are treated as residential uses, and should generally allow those group housing uses in at least one residential district. While some communities require a special permit for these uses, others find that they can be allowed by right provided that they comply with standards limiting scale, character, and parking.

Failure to provide for these uses in the code could subject the county to a developer's request for "reasonable accommodation" under the Act, and failure to provide "reasonable accommodation" could be a violation of federal law. In light of the aging of the American population, the code should also provide areas where congregate care, nursing home, and assisted living facilities may be constructed.

- **Accessory Dwelling Units.** The code should allow accessory dwelling units in at least one zone district – either as an additional unit within an existing home structure or in an accessory building on the same lot. While some communities require a special permit for these uses, others find that they can be allowed by right provided that they comply with standards limiting scale, character, and parking.
- **Mixed Use.** In order to promote affordability, housing should be allowed near businesses that employ workers, particularly moderate and lower income employees. To do that the code should permit residential units in at least one commercial zone district or should map some lands for multi-family development in close proximity to commercial districts.
- **Lower Parking Standards.** Although the traditional standard of two parking spaces per dwelling unit may be reasonable for many areas of a county, a lower standard can and generally should be used for affordable housing, multi-family housing, group housing, and special needs housing.
- **Flexibility on Nonconforming Structures.** Although zoning codes generally require that nonconforming structures damaged or destroyed through fire or natural causes can only be rebuilt in compliance with the zoning code, an increasing number of codes are exempting affordable housing from this requirement. Often the most affordable housing in a community is located on lots that are too small or narrow for the district where they are located, or in multi-family buildings that have too many units for the district where they are located. If forced to replat with larger lots or to reduce density following a disaster, those affordable units may be lost, and allowing rebuilding with the same number of units as before may be the most efficient way to preserve these units in the housing stock.
- **Incentives.** In order to encourage the development of affordable housing, the code should recognize the difficult economics involved and should offer incentives. Common incentives include smaller lots, increased density in multi-family areas, reduced parking requirements, or waivers or reductions of application fees or development impact fees. Some communities provide additional incentives for housing that is restricted for occupancy at lower percentages of the Area Median Income (AMI). For example, developments restricted for households earning less than 50% of AMI could receive more generous incentives than those for households earning less than 80% of AMI. While zoning and subdivision incentives alone are often not enough to make development for lower levels of AMI economically feasible, they can be part of a broader package of incentives (for example, including financial incentives or land contributions) that make those project feasible. Any incentives offered should be updated as new

housing studies are completed and new information about specific affordable housing needs is obtained.

- **Growth Management Exemptions.** Most communities that operate a growth management system exempt affordable housing or allow it to compete for a separate pool of development rights in order to encourage this type of housing.