

Creating Safe and Affordable
Housing of Choice for the Low- and
Moderate-Income People of
Grays Harbor County



A Five-Year Strategic Plan

December 2002

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Housing of Choice for the Low- and Moderate-
Income People of
Grays Harbor County**

A Five-Year Strategic Plan

**Prepared by
Grays Harbor County, Aberdeen Neighborhood Housing Services,
and the Housing Task Force**

**With assistance by
John M. Kliem
*Creative Community Solutions***

December 2002

GRAYS HARBOR COUNTY

Resolution No. 02/131

A RESOLUTION adopting Creating Safe and Affordable Housing of Choice for the Low- and Moderate – Income People of Grays Harbor County.

WHEREAS, Grays Harbor County (“County”) engaged in a strategic planning project to create safe and affordable housing of choice for the low- and moderate income people of the County; and

WHEREAS, the County actively solicited the opinions and comments of members of the Housing Task Force to provide guidance on specific the goals, strategies, and action steps for creating safe and affordable housing of choice for low- and moderate-income people; and

WHEREAS, the County Commissioners solicited public comment on the draft plan Creating Safe and Affordable Housing of Choice for the Low- and Moderate – Income People of Grays Harbor County by making it available for public review and holding a public hearing; and

WHEREAS, the County Commissioners extend their full support for the goals, strategies, and action steps contained in the plan;

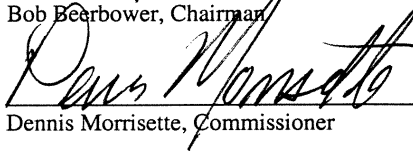
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR GRAYS HARBOR COUNTY that the plan Creating Safe and Affordable Housing of Choice for the Low- and Moderate – Income People of Grays Harbor County is hereby accepted and adopted.

ADOPTED this 2nd day of December, 2002.

BOARD OF COMMISSIONERS
GRAYS HARBOR COUNTY, WASHINGTON



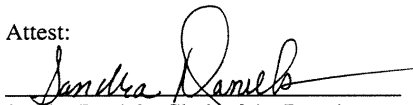
Bob Beerbower, Chairman



Dennis Morrisette, Commissioner

Vacant, Commissioner

Attest:



Sandra Daniels, Clerk of the Board

What is Safe and Affordable Housing of Choice?

Safe

Homes that are not a threat to the health and safety of the occupant by being physically inadequate or structurally unsound

Affordable

When the cost of housing exceeds no more than 33% of a household's total income

Choice

The right of people to choose, without unreasonable constraint, safe and affordable housing that best suits their needs

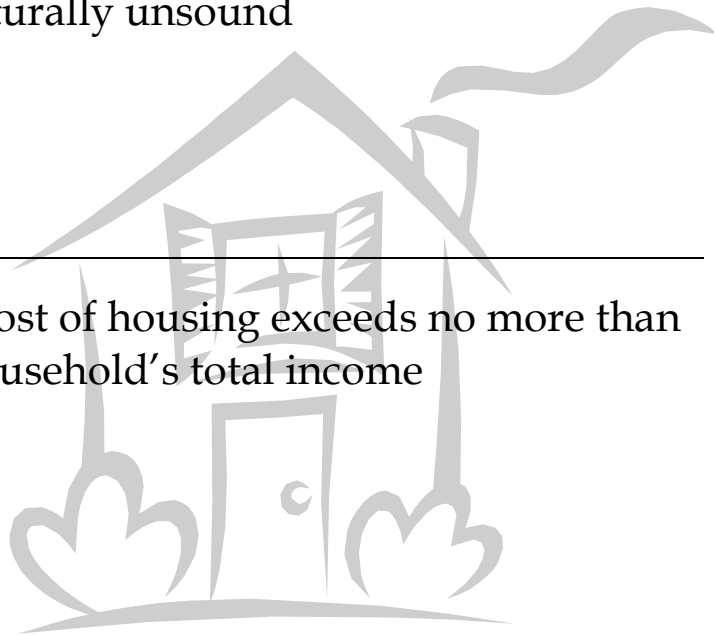


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Preface

Why a Strategic Plan?

While housing in its simplest form is shelter, it is a reflection of the essence of our human environment. It is one of the most important elements of our lives and communities – physically, socially, and economically.

Our homes, inside and out, mirror the physical well being of not only the occupant, but the neighborhood and the greater community as well. A home's condition is a nurturing environment that speaks to others of the quality of life we live.

Homes are also an important point of contact between people. Home is where we bring our friends and family together; it gives us a sense of status and a feeling of belonging. It is a common source of pride for the resident and the community.

Economically, housing is the cornerstone to a household's financial security. A home is usually the largest single asset most people will ever own. It can play a major role in leveraging greater economic security for families by becoming an asset they can borrow against for their children's education or sell to provide a comfortable retirement.

However, for many citizens, their homes offer none of these things. Their homes are not safe, affordable places they choose to live in. Their homes can be financially crippling, unsafe, or inadequate to meet their living needs. For some, the problem leads to having no home at all.

The people in our county most likely to face these critical housing problems are of low- and moderate-income (LMI). These are the households who earn 80% or less of the county's median income. In addition, some LMI households have other "special needs" that challenge their living arrangements – mental illness, developmental disabilities, mobility-related impairments, HIV/AIDS, or victims of domestic violence. LMI people are most susceptible to housing problems because they often lack the resources necessary for addressing them. What makes this problem a compelling concern is that nearly one-half of all households countywide are LMI.

When poor housing conditions become endemic to a community, the impacts extend to everyone, regardless of income or tenure. Here in Grays Harbor County, everyone carries the burden that flows from the many dilapidated homes and rundown neighborhoods. It affects our tax base, our public services, our economic

development efforts, the social fabric of our community, and worse of all, our self-esteem. People in Grays Harbor County do not have to accept this fate – with concerted, well-thought out action we can change the status quo. That is why this Strategic Plan is so necessary.

The Strategic Plan is the rallying point for everyone in the county to come together and create safe and affordable housing of choice for LMI people. It does this by:

- ▷ Identifying the core housing problems confronting LMI people in our county;
- ▷ Establishing a vision to achieve over the next five years for creating safe and affordable housing for LMI people; and
- ▷ Setting strategies and work plans for immediate action.

Overview of the Strategic Plan

The Strategic Plan begins with Part I, The Call to Action. This section captures the work of the Housing Task Force (HTF), an ad hoc group whose purpose was to develop a strategic approach for creating safe and affordable housing opportunities for LMI people. Members of the HTF represented a wide range of housing interests within the private, public, and nonprofit sectors of Grays Harbor County.

The Call to Action identifies the Core Problems affecting safe and affordable housing of choice for LMI people in this county. These Core Problems are:

- The Age and Condition of Housing
- A Lack of Housing Opportunities
- A Lack of Community Resources
- Undeveloped Life Skills
- Barriers to Housing
- Jobs and Workforce Development

After this sober analysis, the HTF establishes a Vision of what our county needs to accomplish over the next five years to begin creating safe and affordable housing of choice. These are:

- Enhancement of Housing Opportunities
- Mobilizing the Community
- Educational Cornerstones
- Rules and Regulations for Safe Housing
- Job Creation

Implementing the Vision is the task of five distinct Strategies, each with a specific Action Plan. These Strategies are:

- Funding Opportunities
- Training and Education
- Subsidy Opportunities
- Alternative Housing Opportunities
- Community Assessment

Part II, Community Housing Profile, is a portfolio of information about Grays Harbor County in general, the Housing Market, Housing Issues for LMI People, and an Inventory of Local Housing Resources for LMI People. The HTF received this technical data before their strategic planning workshops to help formulate their thinking. Local governments and nonprofit organizations will find Part II especially useful in developing and analyzing projects or preparing grant requests.

A Special Thanks

The Strategic Plan for *Creating Safe and Affordable Housing of Choice for LMI People in Grays Harbor County* would not have been possible without the generous contributions of many people, agencies, and organizations.

Providing the sponsorship and leadership for the Strategic Plan were the Board of County Commissioners and staff of Grays Harbor County working in partnership with the Board of Directors and staff of Aberdeen Neighborhood Housing Services.

Giving direct and indirect funding for the Strategic Plan were the Washington State Department of Community, Trade, and Economic Development CDBG-Planning Only Program, Anchor Savings Bank, Grays Harbor County, Aberdeen Neighborhood Housing Services, and Neighborhood Reinvestment Corporation.

The direction for the Strategic Plan is the work of the Housing Task Force. Special thanks go out to the following participants:

Jo-Ann Andrews, Aberdeen City Council
Lois Bailey, Housing Authority of Grays Harbor
Don Beamish, Elma Planning Commission
Pat Beaty, Aberdeen Neighborhood Housing Services
Karen Benevides, Housing Authority of Grays Harbor
Chris Brown, City of Elma
Janet Deegan, Timberland Bank
Katherine Erickson, Bank of the Pacific
Will Foster, Street, Lundgren, & Foster
Frank Gordon, Gordon Electric

Michael Green, McCleary Planning Commission
Chuck Gurrad, Aberdeen Neighborhood Housing Services
Barbara Johnson, Windermere Real Estate
Billie MacFarlane, Aberdeen Neighborhood Housing Services
Janis Aaron Moore, McCleary resident
Dave Murnen, Aberdeen Neighborhood Housing Services
Lee Napier, Grays Harbor County
Vicki Pettitt, Coastal Community Action Program
Greg Provenzano, Columbia Legal Services
Tom Quigg, Windermere Real Estate
Royce Travis, Aberdeen Neighborhood Housing Services
Susan Vasey, City of Hoquiam
Andy Warber, Aberdeen resident
Dan Wood, County Commissioner

Overseeing the Strategic Plan from start to completion was the capable work of:

- Lee Napier, Deputy Director for Community Development, Grays Harbor County Public Services; and
- Billie L. MacFarlane, Executive Director, Aberdeen Neighborhood Housing Services

Part I

A Call to Action

Core Housing Problems for LMI People in Grays Harbor County

The Housing Task Force identified six core problems that prevent low- and moderate-income (LMI) people in Grays Harbor County from getting and keeping safe and affordable housing of choice. While each problem stands out individually, they are all interrelated to one another in an ever-downward spiral.

Age and Condition of Housing

The age and condition of the housing stock in Grays Harbor County is probably the most obvious housing barrier for LMI homeowners and renters.

Fixing these problem structures frequently proves too expensive for the homeowner or landlord. LMI homeowners often lack the savings or the capacity to finance extensive home repairs. Some landlords who rent to LMI people lack the financial incentive to fix up their properties, and when they do, LMI tenants cannot afford the higher rents landlords must charge to recoup their investment. On markedly deteriorated homes, it is common for the cost of repairs to eclipse the value of the home or fail to raise the overall value equivalent to the investment made. Reputable private lenders will not accept these homes as collateral for a loan.

A related problem is the difficulty in bringing rehabilitated homes up to building code requirements. Many of these rules, while well intentioned, require extensive remodeling that pushes costs well beyond what many owners can afford. Even projects subsidized with public funding face similar hurdles, such as the HUD requirements for lead-based paint and asbestos containment or removal.

Lack of Housing Opportunities

With so many residential structures needing major repair in the county, LMI people struggle to find safe and affordable homes of choice to buy or rent. The choices available on the open market are simply too limited.

Most new homes built in the county are beyond the affordability threshold for LMI homebuyers. Furthermore, most new homes built in the county are not located in the urban areas.

LMI renters have an even harder time finding safe and affordable housing without some level of public subsidy, such as with the Section 8 program. Even when decent

housing opportunities do become available, LMI renters have trouble taking advantage of such opportunities because they lack the cash for deposits or cannot pass the credit check requirements.

Lack of Community Resources

Although LMI people do have access to a wide range of housing assistance programs in the county, the demand for assistance regularly far outstrips the resources available. Housing organizations in the county frequently find themselves managing long waiting lists or turning people away who are looking for help.

LMI renters most frequently show the greatest need for rent subsidies. Rent subsidies not only reduce the impact of housing costs on income, but they also give LMI people access to homes that meet minimum housing quality standards that they normally cannot obtain through their own resources. Renters equally need greater support with landlord-tenant disputes. All too often, renters will remain in a home that desperately needs repairs because they lack the necessary knowledge or confidence to pursue their legal rights. They fear reprisals from other landlords or of having nowhere else to go if forced to vacate the home. The resources or programs to support these renters under such circumstances are inadequate and incomplete.

On the other hand, landlords do not always have the “carrot and stick” incentives that would encourage them to improve their properties. One “carrot” that showed promise was the now defunct Rental Rehabilitation Program, a subsidy for rental property owners to improve their properties without having to recoup their investment through rent increases. The vacuum created by the demise of the Rental Rehabilitation Program remains unfulfilled. There is a need for local governments to use the “stick” approach more; that is, enforcing or toughening laws that guarantee safe housing standards for the public.

LMI homeowners often face home repair bills that are beyond their financial capacity. Oftentimes their only choices are to do without the repairs or rely on a predatory lender. Both tracks bring significant, negative consequences to these homeowners. Homes eventually decay beyond repair, becoming unsafe traps for their owners. Predatory lenders strip equity from their borrowers, leaving them penniless and sometimes homeless. Currently, there are not enough grant and loan programs available throughout the county to counteract this problem. Also inadequate are the resources necessary for meeting all of the demands for financial counseling and foreclosure intervention that LMI homeowners in trouble need.

People with special needs share the same lack of community resources as any LMI homeowner or renter, albeit with the additional lack of supportive services. More people with special needs could be living in independent living situations if the

supportive services were available to help them exercise their choice in housing. The scope of needed supportive services can vary widely, depending on the individual circumstances, which can also vary over time.

Homeless families have very few resources available to serve them as a unit. The Coastal Community Action Program has very limited program funding available to preserve homeless families – other resources in the community require breaking up the family unit in order to receive temporary shelter. This complicates and lessens the opportunities for these families to recover.

Last, but not least, is the lack of leadership throughout the public and private sectors in the county committed to addressing tough housing problems for LMI people. This is evident from the lack of coordination, cooperation, and collaboration between housing groups, the housing industry, and local governments. It also carries on to the state level, where the distribution of resources to communities often favors urban areas over rural ones. Without critical leadership resources, we are reducing our efficacy in creating enough opportunities for safe and affordable housing of choice.

Undeveloped Life Skills

Many LMI people fail to get or keep safe, affordable housing because of the inadequacy of their own life skills.

Poor money management decisions cause a vast array of housing problems for some LMI people. Their mismanaged incomes lack the savings necessary for maintaining or repairing homes. Their credit ratings are typically so poor they cannot access reputable lenders for loans. They succumb to the easy lure of bolstering their income with high interest credit cards and predatory lenders without fully understanding the consequences of their actions. High debt ratios force them to live in housing conditions far less than what their income could actually afford. Worse, they lack the individual skill to get out of a financial hole. Such LMI homeowners or renters frequently lose their homes – situations they could have averted if they had the knowledge to better manage their financial affairs.

Likewise, there are LMI homebuyers who do not know how to select or maintain a home. They purchase homes with serious flaws without an understanding of the additional physical and financial resources needed to make essential repairs. Predatory lenders in particular overlook obvious flaws in the homes they finance for the sake of making a loan. Once purchased, homeowners discover that these homes require repairs beyond their own expertise or financial resources. Typically, there is no one around who can help prospective LMI homebuyers protect their interests.

People without these life skills become repeat offenders, passing their lack of knowledge onto their children. These families enter a never-ending “generational karma” that rarely escapes from the cycle of poverty.

Barriers to Housing

Many people in the county find closed doors to safe and affordable housing of choice because of their lower income level, race, disability, citizenship, or age.

Discrimination is a common barrier for LMI people, especially those who rent. There are the voiceless illegal aliens who are afraid to assert their basic housing rights because they fear deportation. People of color or mental illness are victims of rejection by landlords who mistakenly see them as “unsuitable” tenants. Discrimination forces these people to remain in substandard housing or even homelessness.

Barriers can be financial, too. LMI people find it difficult to pass credit checks by landlords because of poor or insufficient credit histories. First and last month rent deposits, plus public utility deposits (electricity, sewer, water, and garbage) also become insurmountable barriers for those without the cash savings. Too many LMI people never become homebuyers because they cannot meet the down payment requirements.

People with special needs without access to supportive services stay trapped in institutional settings or take great personal risk in inadequate living settings. There are too few homes, to buy or rent, that meet the needs of people with mobility-related impairments. Most times, there is not the continuum of housing available many special need people need on their road to recovery.

Jobs and Workforce Development

Without a doubt, probably the greatest single contributing factor to housing issues in this county is the health of the local economy.

Historically, the county’s timber economy has been a roller coaster ride for many blue-collar households. Interrupted incomes have forced many LMI households into a debt pattern that they find difficult to break. Even when economic times are good, many households spend the upturn paying off the downturn, lessening the opportunities for savings or investment in housing. This makes for a poor investment climate for homeowners, landlords, and the development community. The outcomes of this uncertain economy are a legacy of dilapidated older homes and

a complete lack of newer, affordable homes within the purchase power of LMI people.

The frequently changing structure of the county economy leaves behind scores of LMI people without marketable skills. For them, periodic unemployment gradually becomes more permanent, leaving a dramatic decline in personal income. Home repairs under such situations slide down the priority scale, regardless of the severity of the condition.

A Vision for Creating Safe and Affordable Housing of Choice for the LMI People of Grays Harbor County

The Housing Task Force responded to the Core Problems by creating a Vision for creating safe and affordable housing of choice for LMI people in Grays Harbor County. The Vision focuses on achieving

Our Dream

Low- and moderate-income people of Grays Harbor County will have a continuum of safe and affordable housing of choice.

They will have the chance to earn their own opportunities by having access to the supportive services and life skills they need.

Throughout Grays Harbor County, our work towards creating safe and affordable housing of choice for everyone will create communities of interdependent neighborhoods.

Making **Our Dream** a reality will involve accomplishing four broad goals.

Enhancement of Housing Opportunities

The solution to LMI housing problems in Grays Harbor County begins with simply increasing the availability of safe and affordable housing. On the one-hand, there is a need for new housing to replace much of the old, worn-out housing stock that is often prohibitively expensive to fix. On the other hand, some properties remain salvageable and need an infusion of capital to bring them up to acceptable standards.

Methods for achieving these two results hinge on an aggressive, proactive approach to community problem solving. To augment private sector efforts, the public should consider a countywide bond issue to make funding available to improve housing and leverage other outside funding sources. These funds would target all homes,

whether they are owner-occupied or rental properties. Current and past programs at Aberdeen Neighborhood Housing Services provide successful models for how public funds can spur housing redevelopment. Other approaches include:

- Creating tax incentives for building new or substantially rehabilitating homes;
- Reducing permit costs for housing that benefits LMI people;
- Accessing more public and nonprofit grant and loan resources using the SHB 2060 fund for leverage; and,
- Releasing lots held by the county for unpaid tax liabilities to nonprofit agencies for the building of LMI housing.

Mobilizing the Community

The “way” to creating housing opportunities for LMI people is by having the “will”. Countywide, everyone needs to buy into the overall vision of safe and affordable housing of choice.

This demands strong political and community leadership that will create the public awareness and build the partnerships that will result in action. Local governments, the private sector, and nonprofit organizations must coalesce their efforts to ensure the success of projects that improve LMI housing in this county. Local governments need to actively promote safe and affordable LMI housing through their comprehensive plans and enforcement of building codes. The private sector must play their part by taking bold steps toward creating new LMI housing. Individual citizens, too, must take part in this effort by exhibiting more understanding and acceptance of the housing needs of LMI people. We can only bring safe and affordable housing of choice to all of our citizens by working together.

Educational Cornerstones

The most significant housing resource available to LMI people is their own survival skills. Knowing how to be fiscally responsible or how to select and care for a home are skills that can make a difference in the success or failure of LMI households getting or keeping safe and affordable housing. By teaching LMI people critical life skills, they empower themselves by increasing their options and making them less dependent on external support systems.

The first step in this direction is offering a wide range of educational programs that focus on the knowledge needs of LMI people. A comprehensive program of credit counseling, homeownership, home maintenance, landlord-tenant rights, and even general life skills should be available through an educational resource center or by individual agencies, if carefully coordinated. Real estate firms and lending

institutions will need to exert a major leadership role in encouraging LMI people to access these educational resources.

People who rent their properties need assistance, too. Information on how to do critical property improvements, access financing, and following landlord-tenant laws is critical for motivating private sector investment in rental properties. Local housing organizations and agencies should facilitate this effort through local and regional landlord associations.

Rules and Regulations for Safe Housing

Incentives and supports are not enough to improve housing conditions for LMI people throughout the county. Local governments must contribute to the overall vision by tightening local regulations and increasing enforcement that assure minimum safe housing standards, especially for renters. The private real estate and lending sectors need to respond as well by promoting home inspections as a means to inform buyers of the quality of their home purchase.

Job Creation

Creating jobs for LMI people is inseparable from our efforts at creating safe and affordable LMI housing of choice. Intrinsically intertwined, efforts at improving either one must happen simultaneously.

Housing conditions in the county will recover quicker if people earn a living wage. Key to sparking rekindled economic growth is the availability of a fully functional labor pool with marketable skills. It is imperative that all of the resources available in this county, and more, go towards assisting LMI people in a comprehensive way that will facilitate their readiness for this transition. And it is important to note that “comprehensive” means ensuring LMI people receive the job training, life skills counseling, and medical care as well as safe and affordable housing of choice. As our local economy improves and we get more people back to work at living wages, we can expect to see private sector confidence grow and a willingness to again invest in housing.

Strategic Directions and Work Plans

Achieving our goals for safe and affordable housing of choice depends on effective strategic directions over the next five years that will bring about real change. The Housing Task Force laid out seven distinct strategic directions with work plans for the Grays Harbor community to pursue. These are:

Funding Opportunities

Strategic Direction	Public and nonprofit housing development organizations will enhance their funding opportunities by: <ul style="list-style-type: none">• Forming a partnership to create effective projects, leverage local funding, and share resources;• Pursuing at least one Housing Trust Fund (HTF) and HUD McKinney Act Homeless Assistance Program application each funding round; and,• Expanding local loan pools for LMI homeowners to keep their properties livable.
Action Steps	Establish a coalition made up of housing organizations to: <ul style="list-style-type: none">• Propose a SHB 2060 allocation process to the county;• Identify stakeholders for SHB 2060 funds;• Meet with SHB 2060 stakeholders to inform and reach consensus on an approach; and,• Develop a HTF and/or McKinney Application project
Team Partners	ANHS, CCAP, HAGH, Christmas in April, Habitat for Humanity, HALA, Grays Harbor County, Columbia Legal Services, cities, Evergreen Counseling, BHR, and financial institutions
Coordinators	ANHS and CCAP

Training and Education

Strategic Direction	<p>LMI people will be able to access to a comprehensive housing and credit training and education curriculum that includes:</p> <ul style="list-style-type: none">• Credit counseling;• An information clearinghouse on available services and programs;• How to recognize and avoid predatory lenders;• Foreclosure intervention;• Classes on selecting and purchasing a safe and affordable home of choice; and,• Information about lending programs, such as reverse mortgages. <p>Curriculums should be available in Spanish and other languages to reach out to the greatest number of people.</p>
Work Plan	<p>Preparing the training and education program entails:</p> <ul style="list-style-type: none">• Creating a curriculum;• Getting financial and participatory commitment from team partners;• Developing a resource directory;• Aggressively marketing the training and education program;• Creating incentives for people to utilize the services; and• Acknowledging the achievements of people who successfully complete the program.
Team Partners	<p>Local and regional housing counseling agencies, real estate agents, and lending institutions.</p>
Coordinators	<p>ANHS and HAGH</p>

Subsidy Opportunities

Strategic Direction	<p>LMI renters will see an increase in public subsidy and assistance that includes:</p> <ul style="list-style-type: none">• Applying for 50 additional Section 8 Vouchers for use within the county;• Developing and supporting a Section 8 homeownership program;• Placing a 10-year limitation on Section 8 Vouchers to open the program to a greater number of community members in need.
Work Plan	<p>The steps for increasing the number of Section 8 Vouchers and establishing a Section 8 homeownership program are:</p> <ul style="list-style-type: none">• Monitor application funding rounds for Section 8 allocations;• Secure grant writing services;• Share information about Section 8 programs with landlords to increase their cooperation and participation;• Improve community and client participation in the Family Self Sufficiency program; and• Evaluate and set Fair Market Rents.
Team Partners	<p>CCAP, ANHS, landlord association, Section 8 participants, city governments, and elected federal representatives.</p>
Coordinators	<p>HAGH</p>

Legislative Options

Strategic Direction	<p>The community will work with city and county officials to:</p> <ul style="list-style-type: none">• Seek tax relief for housing improvements benefiting LMI people;• Require home inspections;• Develop and adopt minimum housing standards; and,• Increase code enforcement against derelict rental properties.
Work Plan	<ul style="list-style-type: none">• Establish a discussion forum that explores legislative options and forges political action;

- Seek community consensus on alternatives;
- Prepare uniform ordinances for adoption by local jurisdictions and create opportunities for joint enforcement;
- Develop public education materials explaining the regulations;
- Implement ordinances within communities.

Team Partners Political leaders, building departments, CCAP, ANHS, HAGH, Churches

Alternative Housing Opportunities

Strategic Direction	<p>The community will encourage the development of alternative housing opportunities in the county that includes:</p> <ul style="list-style-type: none"> • A new homeless shelter that accommodates families and children; • A youth shelter; • A pilot LMI cooperative living plan that incorporates housing and supportive services that lead to self-sufficiency.
Work Plan	<p>Conduct exploratory studies on youth and homeless shelters as well a cooperative living plan:</p> <ul style="list-style-type: none"> • Determines the need, scope, interest, and acceptance; • Locate potential sites; • Create partnerships committed to building the project(s); • Develop site designs and cost estimates; • Secure funding sources.
Team Partners	CCAP, ANHS, landlord association, Section 8 participants, city governments, and elected federal representatives.
Coordinators	HAGH

Community Assessment

Strategic Direction	Keep the housing strategic plan process current with an ongoing collection of data and assessment.
Work Plan	On a regular basis, the Housing Plan should be updated by: <ul style="list-style-type: none">• Evaluating data needs and gaps• Identifying “people resources” in the community who can provide information• Match immediate, high profile needs with projects
Team Partners	CCAP, ANHS, HAGH, WCRER, GH Association of Realtors, medical & social services communities, landlord associations, local lenders, local Chambers of Commerce, and Economic Development Council.

Part II
A Community
Housing Profile

General Information about Grays Harbor County

Location

Grays Harbor County is the southwest cornerstone of the five counties making up the Olympic Peninsula. The county borders the Pacific Ocean to the west, Pacific and Lewis Counties to the south, Thurston and Mason Counties to the east, and Jefferson County to the north. The county covers a land area of 1,910 square miles, making it the 14th largest in the state.

Political Jurisdictions

Grays Harbor County is the largest local political entity in the county, both in land area and in population. There are nine municipalities as well: Aberdeen, Cosmopolis, Elma, Hoquiam, McCleary, Montesano, Oakville, Ocean Shores, and Westport. The county seat is in Montesano. All of the municipalities operate as code cities except Aberdeen, which is a first class city.

Portions of two American Indian Reservations, the Chehalis and the Quinault, lie within the boundaries of Grays Harbor County. The Chehalis Reservation, established by Executive Order, is 6.6 square miles and is in Grays Harbor, Lewis, and Thurston Counties. The government is the Chehalis Confederated Tribes. A majority of the Quinault Reservation is in Grays Harbor County, with a small adjacent section lying in Jefferson County. This reservation covers 325.7 square miles, slightly over one-tenth of the total county land area. The Quinault Indian Nation is a treaty tribe and is self-governing.

The regional authorities and councils operating in Grays Harbor County include the Housing Authority of Grays Harbor, the Port of Grays Harbor, the Grays Harbor Council of Governments, the Grays Harbor Economic Development Council, Grays Harbor Transit Authority, and the Columbia-Pacific Resource Conservation and Development District. There also are 14 school districts, 16 fire districts, 2 drainage districts, 1 hospital district, 1 public utility district, and 3 water districts. The Timberland Regional Library, a library district spanning four counties, covers most areas of the county.

The federal government has a major governmental presence within Grays Harbor through its landownership of the Olympic National Forest and the Olympic National

Park. The Washington State Department of Natural Resources also owns forestlands and conservation areas within the county.

Economy and Economic Trends

Wood products manufacturing is the foundation to the Grays Harbor County economy. While manufacturing ranks lower than services, government, and retail trade sectors in the number of employers and employees, it leads all other sector categories in total wages paid.ⁱ The 1997 Economic Census also points out that manufacturing far outstrips other employment sectors with its \$822 million in sales, receipts, or shipments. Retail trade, the next largest, reported a distant \$473 million.

Employment Category	Average		Total Wages
	Employers	Employees	
Construction	241	1,125	35,929,237
Manufacturing	211	3,953	160,051,785
Transportation and Public Utilities	117	795	24,220,799
Retail Trade	459	4,780	76,500,028
Finance, Insurance and Real Estate	167	1,015	26,876,377
Services	1,256	5,622	115,897,927
Government	129	4,875	154,700,826
Not Elsewhere Classified	216	571	15,812,886
Total	2,880	23,661	\$635,774,400

Source: Employment Security Department, Labor Market & Economic Analysis

Over the past 25 years, the economy of Grays Harbor County has experienced cycles of decline and slow growth. This economic upheaval began around 1974 when national economic recessions and rising interest rates seriously affected the demand for products from local manufacturers, causing mill closures and unemployment. Another large blow came in the early 1980's with the termination of the Washington Public Power Supply System Satsop project, causing the civilian labor force to decline sharply. From 1981 to 1986, the labor force declined by 9,480 workers in the county, dropping it to the same level ten years earlier. Simultaneously, the population began a steady out-migration as local workers looked for jobs elsewhere.

Intrinsic changes in the timber industry in the 1980's also added to the economic turmoil. To make itself more competitive, the timber industry began to restructure and modernize plants and operations, reducing its workforce needs. Then in the late 1980's through early 1990's, endangered species listings and timber set-asides cost more jobs by reducing raw log supplies from federal forestlands. The lumber and wood products manufacturing sector alone lost over 4,160 jobs from 1979 through the late 1990's.ⁱⁱ Since 2001, however, Grays Harbor County has been seeing some reinvestment in its wood products manufacturing sector with the proposed construction of mills by Sierra Pacific and Boise Cascade.

The 1998 average annual wage in Grays Harbor County was \$24,895 as opposed to \$33,063 for the state as a whole. This amount is 13th highest among the 39 Washington counties. However, between 1990 and 1998, average annual wages in the county grew by only 2.9%, which registered as the fifth slowest percentage increase among counties in the state. This slower growth in wages probably reflects a gradual decline in higher paying manufacturing jobs and an increase in lower paying jobs in other sectors of the local economy. In 1999, the estimated mean retirement income for county residents was \$14,664 versus \$18,241 statewide.ⁱⁱⁱ

Washington State lists Grays Harbor County as one of 23 economically distressed counties based on unemployment averages. The average unemployment rate from 1970 to 2000 was 11.1% for Grays Harbor County and 7.6% for the state as a whole. During the more recent period of 1996 through 2000, the entire state averaged 5.2% unemployment while Grays Harbor County averaged 9.9%. The county experienced the 11th highest unemployment rate among all Washington counties during this period, but the highest among Western Washington counties.^{iv}

Current Population

Grays Harbor County ranks as the 16th largest county in population in the State of Washington. The 2000 US Census counted 67,194 people living in the county, which increased to an estimated 68,500 in 2001 according to Office of Financial Management.

Collectively, more people live in cities, 61%, than in the unincorporated rural areas of the county. However, the number of people living in the rural areas, 25,578 in 2000, is larger than the population of any single city. The nine incorporated municipalities, in the order of largest to the smallest in population, are: Aberdeen, Hoquiam, Ocean Shores, Montesano, Elma, Westport, Cosmopolis, McCleary, and Oakville.

Municipality	1990	2000
Grays Harbor	64,175	67,194
Unincorporated	25,000	25,578
Incorporated	39,175	41,616
Aberdeen	16,565	16,461
Cosmopolis	1,372	1,595
Elma	3,011	3,049
Hoquiam	8,972	9,097
McCleary	1,473	1,454
Montesano	3,060	3,312
Oakville	529	675
Ocean Shores	2,301	3,836
Westport	1,892	2,137

Source: 2000 US Census

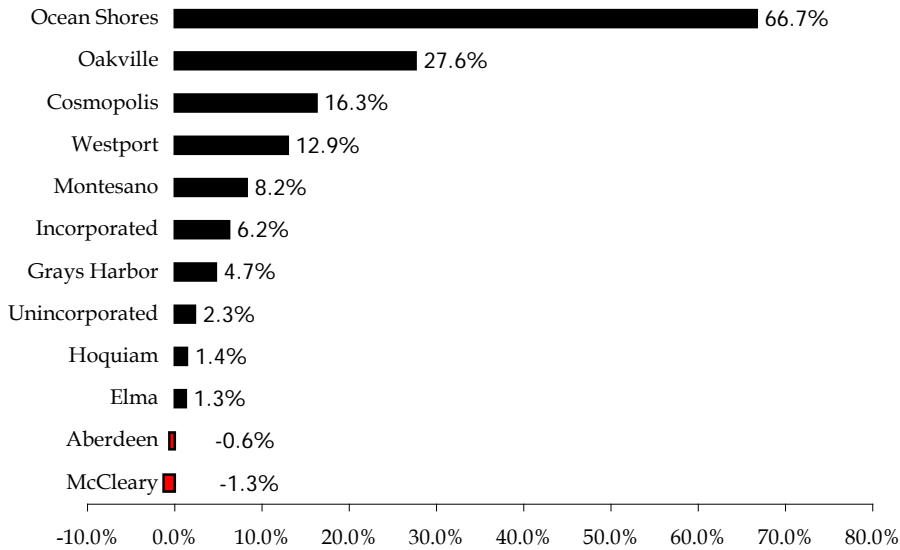
Population Trends

Population fluctuations in Grays Harbor County have mirrored local and national economic conditions. The first major countywide decline in population occurred during the Great Depression and it would take 40 years before the county fully recovered its pre-Depression population numbers. A second, smaller population downward trend began in 1980 and continued until the early 1990's. Precipitating this decline was the impact of the national recession, job losses in the timber

industry, and the closure of the Washington Public Power Supply System power plant at Satsop.

From 1990 to 2000, the total county population had increased by almost 5%, although there has been wide fluctuation among the cities. While the City of Ocean Shores led the way in growth with an astonishing 66.7% increase, Aberdeen and McCleary lost population during this period. The overall pace of growth in the incorporated areas was ahead of the unincorporated areas.

Population Growth in Percent, 1990 - 2000



Source: 2000 US Census

The Office of Financial Management recently updated its 25-year growth projections for counties as required under the Growth Management Act. Each county projection included a low, medium, and high series. Results for Grays Harbor County show a 32.1% increase for the high series, a 15% increase for the intermediate series, and a 2.1% decrease for the low series. While it is difficult to assess where growth will occur in the county, it is likely that the coastal communities and the rural areas, especially in East County, will continue to see higher growth rates.

Projection	2000	2005	2010	2015	2020	2025
High	67,194	70,064	74,216	79,027	83,931	88,763
Intermediate	67,194	66,490	68,878	71,761	74,605	77,269
Low	67,194	62,916	63,540	64,495	65,279	65,775

Source: Office of Financial Management

These projections present two very different implications for housing. By 2025, the High series shows a need to increase the housing stock by 8,697 units while the Intermediate series shows a lesser need for 4,063 more units. However, the Low

series indicates a decrease of 572 households in the county during this same period, meaning a need for fewer housing units than what currently exists.

Age

The median age of Grays Harbor County residents continues to grow as elsewhere in the state and nation. The 2000 US Census reports the median age of county residents to be 38.8 years, an increase of 3.4 years from the 1990 US Census. Although, the statewide median age is growing as well, it is growing at a slower pace. In 1990, the statewide median age was 33.1 years, which increased to 35.3 years in 2000. Grays Harbor County has 15.4% of its population 65 years and older, the 12th highest percentage among all counties in the state.

Within the county, the difference in median age between communities is quite distinct; Oakville has the lowest median age at 32.1 years while Ocean Shores has the highest at 51.6 years.

City	Total Population	Under 5 years	5 to 19 years	20 to 64 years	65 years and over	Median age (years)
Aberdeen	16,461	1,237	3,720	9,204	2,300	34.9
Cosmopolis	1,595	100	353	905	237	38.6
Elma	3,049	210	780	1,621	438	33.9
Hoquiam	9,097	625	2,133	4,946	1,393	36.1
McCleary	1,454	98	294	789	273	38.2
Montesano	3,312	190	715	1,897	510	38.6
Oakville	675	67	176	361	71	32.1
Ocean Shores	3,836	170	536	2,057	1,073	51.6
Westport	2,137	103	419	1,206	409	43.4

Source: 2000 US Census

Race

Race generally remains less diverse in Grays Harbor County than the state as a whole. American Indian and Alaska Native people are the one exception to this rule; this group comprises 4.7% of the county's total population while statewide, they represent 1.6% of the total population. The number of Native American and Alaska Native people on American Indian Reservations within county boundaries includes 1,196 on the Quinault Reservation and 364 on the Chehalis Reservation. It is interesting to note that 1,301 Native American and Alaska Native people live off-reservation with largest percentage living in Aberdeen (609) and Hoquiam (351).

Household Size, Type, and Relationships

The average of 2.48 people per household has remained the same for both the 1990 and 2000 US Census. This average is smaller than the 2000 statewide average of 2.53 people per household.

The 2000 US Census also provides information on family and non-family households. Family households make up 66.8% of all households in the county, a slight decline from 68.3% in 1990. The average county family size in 2000 was 2.98 people per household, also down from 3.00 in 1990. Correspondingly, the percentage of non-family households has slightly increased from 31.7% in 1990 to 33.2%.

Married couples are the largest percentage of all household types in the county (50.7%). The percentage of all households with children less than 18 years old is 30.5%. Female householders with children under the age of 18 years comprise 7.3% of all households. People who live alone make up 26.7% of all households. Householders 65 years and over live in 11.6% of all households, which is a slight decrease from the 1990 Census.

Houshold by Type	Grays Harbor County		Statewide
	Number	Percent	Percent
Total households	26,808	100%	100.0%
Family households	17,914	66.8%	66.0%
• Married-couple families	13,597	50.7%	52.0%
• Single female householder with children	1,973	7.4%	6.5%
Non-family households	8,894	33.2%	34.0%
• Person living alone	7,166	26.7%	26.2%
• Person living alone 65 years & older	3,114	11.6%	8.1%
Households with individuals 65 & older	7,412	27.6%	20.4%
Average household size		2.48	2.53
Average family size		2.98	3.07

Source: 2000 US Census

Group quarters include all people who do not live in households. There are two types of group quarters: institutional (for example, correctional facilities, nursing homes, and mental hospitals) and non-institutional (such as college dormitories, military barracks, group homes, missions, and shelters). The 2000 US Census showed only 0.7% (442) of the population living in an institutional setting and 0.3% (198) living in a non-institutional one. This was actually a decrease of 226 from the 1990 Census, a loss probably attributed to the closing of facilities like Oakhurst and other smaller congregate care centers. Since conducting the Census, however, Stafford Creek Correctional Institution has fully opened, with 1,361 inmates.

Household Income and Poverty

The US Census estimated the median household income for Grays Harbor County in 1999 at \$34,160. This amount is 75% of the statewide median household income of \$45,776. The county ranks 11th lowest in median household income among all Washington counties and second lowest among all Western Washington counties. The Department of Housing and Urban Development (HUD) estimated the 2002 median household income for the county to be \$38,500.

The Community Development Block Grant (CDBG) Program relies on low- and moderate-income (LMI) thresholds set by HUD to determine program eligibility. CDBG defines a household as being of “moderate-income” when its total earnings are 80% or less of the county’s median income. Similarly, “low-income” is 50% of the county median household income. CDBG adjusts each income threshold by family size. HUD also uses a “very low-income” category for other programs it manages. “Very low-income is 30% of the median household income. The table below shows the 2002 limits for total household income for defining very low-, low-, and moderate-income.

Percent of Median Income	Number of People in Household							
	1	2	3	4	5	6	7	8
30%	8,450	9,650	10,850	12,050	13,000	14,000	14,950	15,900
50%	14,050	16,100	18,100	20,100	21,700	23,300	24,900	26,550
80%	22,500	25,750	28,950	32,150	34,750	37,300	39,900	42,450

Source: US Department of Housing and Urban Development

The most recent hard data available for the number of LMI households in the county comes from an April 2002 telephone survey conducted in the Aberdeen local calling area by Aberdeen Neighborhood Housing Services. The survey found that 47.9% of all households qualified as LMI. The difference between homeowners and renters was significant; homeowners were 30.9% LMI while renters were 65.7% LMI.

The US Census publishes a statistically accurate estimate of the number of very low-, low-, and moderate-income households with every decennial count. Although this estimate based on the 2000 US Census is not due for release until 2004, HUD has published its own estimate for 2002 based on prorated population increases within specific communities between 1990 and 2000.^v It is important to note that this estimate uses family income rather than household income. Furthermore, the estimate assumes the same percentage of family households who were LMI in 1990 remains true today, an assumption that could inflate numbers. The table below

summarizes HUD’s estimate for Grays Harbor County by renter and homeowner categories.

Household Type	Number of Households			
	Renters		Homeowners	
	Elderly Renter Households	Total Renter Households	Elderly Homeowner Households	Total Homeowner Households
Very Low-Income	607	2,338	714	1,409
Low-Income	468	1,877	1,186	1,949
Moderate-Income	374	1,952	1,666	3,181

The US Census Bureau regularly estimates poverty levels for people of all ages. The most recent figures released for Grays Harbor County, 1998, show that 16.1% of all people fell below the poverty threshold that year. The statewide estimate for that same year was 9.9%. Grays Harbor County ranked fifth highest among all counties statewide for poverty levels and the highest for Western Washington counties. Poverty levels are improving in the county; five years earlier, 18.1% of people of all ages fell below the poverty threshold.^{vi}

People with Special Housing Needs

Special needs populations consist of a broad range of people who are:

- Developmentally disabled;
- Mentally ill;
- Victims of domestic violence;;
- Chemical dependency;
- Mobility-related impairments; and
- Acquired Immune Deficiency (AIDS).

The specific characteristics and the numbers of people in each of these groups are:

Developmentally Disabled

People with mental retardation, cerebral palsy, epilepsy, autism, or other neurological condition attained before the age of 18 are developmentally disabled. Their condition typically continues indefinitely and creates a substantial handicap for themselves, which can range from mild to severe. RCW 41A10.020 legally defines developmental disabilities.

Determining the exact number of people with special needs is difficult; most of these populations are in a constant state of flux or there often is little or no effort at enumerating them. However, there are varieties of data sources that do suggest numbers.

The Division of Developmental Disabilities (DDD), a division of the Department of Social and Health Services (DSHS), reports that developmental disabilities occur at a prevalence rate of 1.3% within the general population. Applying this rate to the 2000 US Census shows there may be around 875 people with developmental disabilities, 650 of whom are 18 years and older. During the 2000 State Fiscal Year (SFY), DDD provided services to 444 clients, 250 who were 18 years and older.^{vii}

Mentally Ill

A mentally ill individual may be “acutely mentally ill”, “chronically mentally ill”, or “seriously disturbed” as defined by Chapter 275-565 WAC. Their condition may be intermittent or permanent and cause an impairment that may range from mild-to-severe.

The Mental Health Division of DSHS reported for 2000 SFY 2,260 clients, 1,315 aged 18 years and older, received program assistance through the state. The numbers of mentally ill people not receiving state services are unknown.

Chemical Dependency

Individuals who have a dependence on alcoholic beverages or psychotic chemicals cannot control the amount and circumstance of their use. They exhibit symptoms of tolerance, physical or psychological withdrawal, or both, if they reduce or discontinue use. Long-term dependence will impair an individual’s health or disrupt their social or economic functioning.

The Division of Alcohol and Substance Abuse reports that 5,146 adult county residents in 1998 had a need for substance abuse treatment. Nearly 36% of these people fell within 200% of the federal poverty limits.^{viii}

Mobility-Related Impairments

The term “mobility-related impairments” encompasses a wide-range of individuals with physical disabilities resulting from amputation, blindness, cerebral palsy, multiple sclerosis, head injury, muscular dystrophy, paralysis, stroke, para- and quadriplegia. The nature of their disabilities typically requires accessible housing and support services. Each person’s disabilities can vary considerably in form and extent and may even progress over time.

The Research and Data Analysis of DSHS reported in February 2002 that 16 people received Supplemental Security Income (SSI) for the blind and 1,876 received SSI for the disabled.^{ix}

Victims of Domestic Violence

Domestic violence is assaultive behavior committed by one adult intimate against another. Domestic violence is a pattern controlling behavior that consists of physical, sexual, and/or psychological assaults.

There were 721 domestic violence arrests in Grays Harbor County in 2000, as reported by the Washington Association of Sheriffs and Police Chiefs.^x

Acquired Immune Deficiency Syndrome

AIDS is a severe life-threatening clinical condition that represents the late stages of infection from the human immunodeficiency virus (HIV). The disease most often results in progressive damage to the immune system and other organs, especially the central nervous system.

The Washington State Department of Health reports that as of June 2002, there are 45 cases of AIDS in Grays Harbor County.^{xi}

The Grays Harbor County Housing Market

Housing Types

Single-family homes comprise 66.8% of all housing units in Grays Harbor County. Manufactured homes, at 18.2% of all housing units, are the next largest housing type and multi-family housing follows at 15.0%. Nearly three-quarters of all manufactured homes in the county are in the rural areas.

Between 1990 and 2000, Grays Harbor County saw the number of total housing units jump by 11.3%. Areas with the greatest percentage growth were in Ocean Shores (53.8%), Oakville (29.6%), and McCleary (20.5%). Hoquiam and Aberdeen actually decreased in the number of single-family homes by 2.1% and 0.9% respectively. Countywide, the type of housing units experiencing the greatest growth were manufactured homes and trailers. They increased by 1,402 units or 30.2%. The bulk of this increase occurred in the unincorporated areas of the county. Annexations contributed to the largest growth of manufactured homes and trailers in the cities.

	1990				2000 Estimate			
	Total units	Single-family units	Two or more units	Mfd. homes & trailers	Total units	Single-family units	Two or more units	Mfd. homes & trailers
County	29,931	20,674	4,598	4,659	33,324	22,256	5,002	6,066
Unincorporated	11,308	7,438	447	3,423	12,714	7,930	381	4,403
Aberdeen	7,570	5,137	2,107	326	7,667	5,092	2,133	442
Cosmopolis	578	523	42	13	661	562	42	57
Elma	1,210	724	394	92	1,308	760	413	135
Hoquiam	3,973	2,962	862	149	4,029	2,900	966	163
McCleary	594	498	82	14	716	517	175	24
Montesano	1,238	988	226	24	1,468	1,114	280	74
Oakville	216	177	3	36	280	195	8	77
Ocean Shores	2,101	1,544	270	287	3,232	2,386	403	443
Westport	1,143	683	165	295	1,249	800	201	248

Source: Office of Financial Management

Housing Tenure: Homeowners & Renters

There is a slightly higher rate of home ownership in Grays Harbor County than the statewide average. Countywide homeownership edged higher from 67.0% in 1990 to 69.0% in 2000. Statewide, homeownership also increased, from 62.6% in 1990 to 64.6%. Cosmopolis and the unincorporated areas of the county have the highest percent of homeownership while Elma and Hoquiam have the lowest.

	Households			
	Owner-occupied		Renter-occupied	
	Number	Percent	Number	Percent
County	8,495	69.0%	8,313	31.0%
Unincorporated	8,000	80.6%	1,925	19.4%
Aberdeen	3,807	58.4%	2,710	41.6%
Cosmopolis	529	82.0%	116	18.0%
Elma	657	55.0%	538	45.0%
Hoquiam	2,087	57.3%	1,553	42.7%
McCleary	355	64.0%	200	36.0%
Montesano	916	69.1%	410	30.9%
Oakville	157	67.4%	76	32.6%
Ocean Shores	1,348	75.3%	441	24.7%
Westport	639	72.4%	344	27.6%

Source: 2000 US Census

Housing Vacancy Rates

The countywide vacancy rate of 17.5% is relatively high compared to the state average of 7.3%. Part of the reason for this difference lies in the large number of housing units in the rural areas, Ocean Shores, and Westport used for seasonal, recreational, or occasional use. The other reason is the high vacancy rate of rental housing in some cities.

	Total Units	Occupied units	Vacant units	Vacancy rate for all units	Seasonal & recreational housing units
County	32,489	26,808	5,681	17.5%	2,652
Unincorporated	12,140	9,925	2,215	18.2%	1,337
Aberdeen city	7,536	6,517	1,019	13.5%	36
Cosmopolis city	681	645	36	5.3%	1
Elma city	1,330	1,195	135	10.2%	8
Hoquiam city	4,023	3,640	383	9.5%	20
McCleary city	583	555	28	4.8%	1
Montesano city	1,408	1,326	82	5.8%	7
Oakville city	260	233	27	10.4%	4
Ocean Shores city	3,170	1,789	1,381	43.6%	1,053
Westport city	1,358	983	375	27.6%	185

Source: 2000 US Census

Countywide Vacancy by Category	Number	Percent
• For rent	1,187	3.7%
• For sale only	695	2.1%
• Rented or sold, not occupied	242	0.7%
• Seasonal, recreational, occasional use	2,652	8.2%
• For migrant worker	4	0.0%
• Other	901	2.8%
Total	5,681	17.5%

Source: 2000 US Census

Age of Housing

The age of housing in Grays Harbor County is significantly older than the statewide average. Data from the Grays Harbor County Assessor's Office in 2001 reported 42.9% of all housing in the county was built in 1939 or earlier. The 2000 US Census reports a statewide average of 12.4% for housing built during the same period. Considering single-family homes alone in the county, 34.3% were built in 1939 or earlier.

The median year of construction for single-family homes is 1959. Hoquiam has the oldest median year of construction (1921) while Ocean Shores has the most recent (1983). The median year of construction for multi-family dwellings is 1958.

	Median Year Built
Countywide	1959
Unincorporated	1969
Aberdeen	1926
Cosmopolis	1956
Elma	1953
Hoquiam	1921
McCleary	1949
Montesano	1948
Oakville	1926
Ocean Shores	1983
Westport	1965

Source: Grays Harbor County Assessor

Housing Size

The median square footage of homes countywide in 2001 was 1,336. Single-family homes in Westport have the smallest median square footage (1,080) while Cosmopolis has the largest (1,475). The median square footage for homes built between 1996 and 2000 was 1,562. The median lot size in the county was 5,190 square feet.^{xii}

	Square Feet in Area
Countywide	1,336
Unincorporated	1,364
Aberdeen	1,320
Cosmopolis	1,475
Elma	1,264
Hoquiam	1,360
McCleary	1,152
Montesano	1,370
Oakville	1,112
Ocean Shores	1,301
Westport	1,080

Source: Grays Harbor County Assessor

Owner-Occupied Housing Values

The median 2001 total assessed value for single-family residences in Grays Harbor County is \$74,505, according to Grays Harbor County Assessor records. The median assessed value for the structure and land only was \$54,835 and \$19,600 respectively. Oakville homes had the lowest median total assessed value, while homes in Ocean Shores reported the highest.

	Median Assessed Value
Countywide	\$ 74,505
Unincorporated	\$ 87,162
Aberdeen	\$ 61,430
Cosmopolis	\$ 83,219
Elma	\$ 75,576
Hoquiam	\$ 55,290
McCleary	\$ 72,335
Montesano	\$ 84,470
Oakville	\$ 47,055
Ocean Shores	\$ 98,137
Westport	\$ 56,180

Source: Grays Harbor County Assessor

The Washington Center for Real Estate Research collects statistics for median home sale prices. In 2000, the countywide median home price was \$81,400, higher than the total assessed value. The 2000 median home price was a drop from the \$82,900 in 1999 and \$84,100 in 1998. The median home price in the county consistently stays between 46% and 52% of the statewide median. For the years of 1999 and 2000, Grays Harbor County reported the second lowest median home prices for all 39 counties in the state.

Year	Grays Harbor Co.	Statewide
2000	\$ 81,400	\$ 176,300
1999	\$ 82,900	\$ 166,600
1998	\$ 84,100	\$ 160,700
1997	\$ 72,100	\$ 150,600
1996	\$ 67,200	\$ 142,200
1995	\$ 64,000	\$ 136,600

Source: Washington Center for Real Estate Research

The 2000 US Census estimates the countywide median value of owner-occupied housing units by asking the question on the Census Long Form, "What is the value of this property; that is, how much do you think this house and lot, apartment, or mobile home and lot would sell for if it were for sale?" As the US Census Bureau explains, "This question reflects the respondent's estimate of the current dollar value of the property rather than the construction cost or purchase price." The results show that countywide, the median owner-occupied home value to be \$96,400. Grays

Harbor County ranked as the seventh lowest median home value among the 39 Washington counties.

	Median Owner-Occupied Value
Aberdeen	\$ 82,100
Cosmopolis	\$ 100,000
Elma	\$ 99,500
Hoquiam	\$ 74,900
McCleary	\$ 88,600
Montesano	\$ 122,300
Oakville	\$ 81,700
Ocean Shores	\$ 139,600
Westport	\$ 112,900
Countywide	\$ 96,400
Statewide	\$ 168,300

Source: US Census

The Census median home value figure differs by \$21,895 from the 2001 median countywide total assessed value of \$74,505. Evidently, people in the county perceive the market value of their home as being significantly greater than the county assessed total assessed value.

Rental Housing Costs

Information regarding monthly rents for Grays Harbor County is available from different data sources. One data source, the 2000 US Census, collects information on median contract and gross rent. The US Census defines contract rent as "...monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included." Median gross rent is "...rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter." When the US Census

	Median Contract Rent	Median Gross Rent
Aberdeen	\$ 415	\$ 492
Cosmopolis	\$ 434	\$ 492
Elma	\$ 400	\$ 504
Hoquiam	\$ 404	\$ 497
McCleary	\$ 432	\$ 543
Montesano	\$ 437	\$ 531
Oakville	\$ 431	\$ 528
Ocean Shores	\$ 575	\$ 631
Westport	\$ 390	\$ 484
Countywide	\$ 418	\$ 500
Statewide	\$ 593	\$ 663

Source: US Census

collected this information in 1999, it reported the median gross rent for the county as significantly lower than the state as a whole; \$500 versus \$663. The median gross rent for Grays Harbor County ranked 17th lowest of all Washington counties and the second lowest of Western Washington counties. Within the county, the median gross and contract rent was lowest in Westport and highest in Ocean Shores.

Two-thirds of rental housing units in the county have gross rents between \$500 and \$749, according to the 2000 US Census.

Gross Rent	Number	Percent
Less than \$200	545	6.7%
\$200 to \$299	612	7.5%
\$300 to \$499	2,663	32.8%
\$500 to \$749	2,785	34.3%
\$750 to \$999	816	10.1%
\$1,000 to \$1,499	145	1.8%
\$1,500 or more	77	0.9%
No cash rent	471	5.8%

Source: 2000 US Census

A 2002 telephone survey found a significantly higher median contract and gross rent than that reported by the 2000 US Census. The telephone survey area included the cities of Aberdeen, Cosmopolis, Hoquiam, Montesano, Ocean Shores, and Westport, as well as the surrounding rural areas. Results of the survey showed that the median contract rent was \$490 and the median gross rent was \$623.

The US Department of Housing and Urban Development (HUD) sets Fair Market Rents (FMR) for counties as part of its housing subsidy programs. The department derives its FMR by first surveying gross rents paid by households who: 1) moved within the past 15 months; and 2) live in housing more than two years old. It then determines the FMR by selecting the gross rent paid at the 40th percentile. HUD adjusts its FMR by the number of bedrooms in the rental unit. The table below shows the 2002 FMR for both the State of Washington and Grays Harbor County.

	Number of Bedrooms				
	0	1	2	3	4
Washington	\$ 497	\$ 605	\$ 768	\$ 1,058	\$ 1,226
Grays Harbor County	\$ 343	\$ 402	\$ 529	\$ 712	\$ 822

Source: US Department of Housing and Urban Development

While the FMR values coincide with median gross rent data from the 2002 US Census, it is clearly less than the 2002 Aberdeen area telephone survey.

Housing Affordability

Housing affordability is an important issue for people owning, renting, or looking to buy a home. A 2002 telephone survey within the Aberdeen calling area examined the general affordability of housing in the county.^{xiii} The threshold for evaluating affordability under the survey were housing costs at or below 33% of a household's total monthly income. The survey involved 246 homeowners and 236 renters by asking each participant about their monthly mortgage or rent, utility costs, and total monthly income.^{xiv} A summary of the results of the survey by homeowner and renter status follows below.

	Homeowner	Renter
Total Respondents	246	236
Home within city limits	69.1%	81.8%
Home outside city limits	30.9%	18.2%
Monthly Mortgage or Rent ^{xv}		
• Median	\$645	\$490
• Average	\$640	\$505
Monthly heating and power costs		
• Median	\$150	\$130
• Average	\$159	\$134
Monthly water and sewer costs		
• Median	\$54	\$0
• Average	\$64	\$12
Total monthly housing costs with mortgage		
• Median	\$857	\$623
• Average	\$858	\$650
Percent of households that monthly housing costs exceed 33% of monthly income	12.2%	41.9%
Percent of low- or moderate-income households	30.9%	65.7%
Percent of low- or moderate-income households with monthly housing costs that exceed 33% of monthly income	5.7%	39.4%

Of the 246 homeowners in the survey, 40.7% did not have a monthly mortgage payment. Not having a monthly mortgage, however, did not always equate with financial security; 47% of these homeowners also reported being of low- and moderate-income.

Applying the survey results to a countywide scale finds that 2,256 homeowners and 3,483 renters have monthly housing costs that exceed 33% of their total monthly household income. Furthermore, 5,715 owner-occupied and 5,462 renter-occupied households qualify as being of low- and moderate-income.

In regards to affordable home purchase, the Washington Center for Real Estate Research (WCRER) assesses each county housing market for affordability. The WCRER does this by creating an affordability index based on median home prices, mortgage rates, median monthly payment, and median family income. It also creates a special index for first time homebuyers.

The WCRER affordability indices present a more positive picture for homebuyers in Grays Harbor County than for those statewide. For the first three quarters of 2001, the affordability index for Grays Harbor County averaged 163.5 as opposed to 124.4 statewide.^{xvi} A rating of 100 or more indicates greater housing affordability. However, the news for first-time homebuyers is less promising. First-time homebuyers during the same period averaged 93.4 in the county and 74.2 statewide, placing home purchases below the affordability threshold. One factor not considered by the WCRER index is household debt. This is a critical factor in adjusting a household's ability to afford a median home price.

Looking specifically at what constitutes affordable rent and home purchase prices for low- and moderate-income households presents a more mixed picture. For LMI renters, the test for affordable rent is an amount 33% or less of a household's total income. For LMI homebuyers, the test for a home purchase price is 2½ to 3 times their annual total household income. The tables below use the HUD very low-, low-, and moderate-income limits for Grays Harbor County to show affordable housing costs.

Very Low-Income Households				
Household Size	Gross Income	Affordable Housing Costs	Affordable Home Purchase Price Range	
1	\$8,450	\$232	\$21,125	\$25,350
2	\$9,650	\$265	\$24,125	\$28,950
3	\$10,850	\$298	\$27,125	\$32,550
4	\$12,050	\$331	\$30,125	\$36,150
5	\$13,000	\$358	\$32,500	\$39,000
6	\$14,000	\$385	\$35,000	\$42,000
7	\$14,950	\$411	\$37,375	\$44,850
8	\$15,900	\$437	\$39,750	\$47,700

Low-Income Households					
Household Size	Gross Income	Affordable Housing Costs	Affordable Home Purchase Price Range		
1	\$ 13,850	\$ 381	\$ 34,625	\$ 41,550	
2	\$ 15,800	\$ 435	\$ 39,500	\$ 47,400	
3	\$ 17,800	\$ 490	\$ 44,500	\$ 53,400	
4	\$ 19,750	\$ 543	\$ 49,375	\$ 59,250	
5	\$ 21,350	\$ 587	\$ 53,375	\$ 64,050	
6	\$ 22,900	\$ 630	\$ 57,250	\$ 68,700	
7	\$ 24,500	\$ 674	\$ 61,250	\$ 73,500	
8	\$ 26,050	\$ 716	\$ 65,125	\$ 78,150	

Moderate-Income Households					
Household Size	Gross Income	Affordable Housing Costs	Affordable Home Purchase Price Range		
1	\$ 22,100	\$ 608	\$ 55,250	\$ 66,300	
2	\$ 25,300	\$ 696	\$ 63,250	\$ 75,900	
3	\$ 28,450	\$ 782	\$ 71,125	\$ 85,350	
4	\$ 31,600	\$ 869	\$ 79,000	\$ 94,800	
5	\$ 34,150	\$ 939	\$ 85,375	\$ 102,450	
6	\$ 36,650	\$ 1,008	\$ 91,625	\$ 109,950	
7	\$ 39,200	\$ 1,078	\$ 98,000	\$ 117,600	
8	\$ 41,700	\$ 1,147	\$ 104,250	\$ 125,100	

Another angle useful for examining housing affordability was a 1995 US Census study. This study looked at what factors made modestly priced homes affordable for American households. In addition to several key conclusions about how to make housing more affordable for households, the study derived a helpful system for defining, within a local context what is a low, modestly, and median priced home.

- A “lower priced” home is priced so that 10 percent of all owner-occupied homes in an area are below that value and 90 percent are above.
- A “modestly priced” home is priced so that 25 percent of all owner-occupied homes in an area are below this value and 75 percent are above.
- A “median priced home is priced so that 50 percent of all owner-occupied homes in an area are below this value and 50 percent are above.

Applying these standards to the 2001 County Assessors tax rolls shows that:

- A “lower priced” home is \$34,685 or less.
- A “modestly priced” home falls between \$34,686 to \$50,850.
- A “median priced” home falls between \$50,851 to \$74,505.

Who can afford what kind of home in the county? Most very low-income households would find only lower priced homes within their affordability range. Depending on household size, low-income households could purchase lower, modestly, and the lower end of median priced homes. Lower, modestly, median, and the lower end of above median priced homes are all affordable to moderate-income households.

The distribution of low, modestly, and median priced housing dictate where LMI groups live in Grays Harbor County. The first table on the next page shows the number of homes by pricing category and community.

	Total Units	Low-Priced	Modestly-Priced	Median-Priced	Above Median
Aberdeen	4,733	616	1,056	1,489	1,572
Cosmopolis	530	31	59	118	322
Elma	640	30	69	205	336
Hoquiam	2,691	347	763	1,025	556
McCleary	400	12	53	146	189
Montesano	885	17	59	241	568
Oakville	183	53	48	57	25
Ocean Shores	2,808	119	179	486	2,024
Westport	785	165	167	218	235
Unincorporated	9,318	906	994	1,759	5,659
Countywide	22,973	2,296	3,447	5,744	11,486

The second table shows the percentage of homes in each community under each pricing category.

Community	Low-Priced	Modestly-Priced	Median-Priced	Above Median	Total
Aberdeen	13%	22%	31%	33%	100%
Cosmopolis	6%	11%	22%	61%	100%
Elma	5%	11%	32%	53%	100%
Hoquiam	13%	28%	38%	21%	100%
McCleary	3%	13%	37%	47%	100%
Montesano	2%	7%	27%	64%	100%
Oakville	29%	26%	31%	14%	100%
Ocean Shores	4%	6%	17%	72%	100%
Westport	21%	21%	28%	30%	100%
Unincorporated	10%	11%	19%	61%	100%

Housing Conditions

A single-family housing survey prepared for this study by Aberdeen Neighborhood Housing Services in October 2001 documented the severity of countywide housing problems.

The survey randomly selected 1,076 single-family residences, with no distinction as to being owner- or renter-occupied, and evaluated each one as to the condition of its roof, foundation, windows, and siding. The methodology for assessing each unit was an adaptation of Chapin and Kaiser made to correlate with the Community Development Block Grant standard definitions of substandard, moderately deteriorate, and deteriorated.^{xvii}

Applying the results of the survey to all county single-family housing revealed the severity of housing conditions countywide:

- 8.6% of single-family residences, or 1,983 units, rated as substandard;
- 3.9% of single-family residences, or 896 units, rated as moderately deficient; and
- 2.6% of single-family residences, or 597 homes, rated as deteriorated.

The survey also evaluated the costs of exterior housing rehabilitation in the county. Relying on ANHS single-family housing rehabilitation experience, the survey affixed standard costs for repairs to each housing unit examined. Appendix A contains information regarding these standard costs by housing component.

The median exterior repair cost for all surveyed units was \$1,700 while the average exterior repair cost per unit was \$3,385. The total estimated exterior repair costs for the 1,076 survey units was \$3,641,000.

Applying the survey findings to all 22,973 single-family residences on the County Assessors tax rolls presents a staggering picture of the severity of countywide housing conditions. Given the average \$3,385 exterior repair cost per unit and extending that cost to all homes in the county, then it would take \$77.5 million to repair all roof, foundation, window, and external wall defects. A breakdown of the range of repair costs by percent follows below.

Range of Repair Costs	Percent	Number in Survey	Projected Number of Units in County
No repair costs	25.9%	279	5,950
\$300 to \$4,800	52.6%	566	12,071
\$5,000 to \$9,800	11.2%	121	2,580
\$10,000 to \$19,900	8.7%	94	2,005
\$20,000+	1.6%	17	363

Despite the survey’s limitations of inventorying only exterior conditions, anecdotal evidence from building professionals indicate that internal systems pose significant problems as well. Electrical problems are endemic to homes built before 1950. Although many homes have upgraded to more modern, there remain a good number of homes still relying on the original knob and tube wiring with old style fuse boxes. Typical costs for upgrading the wiring and service panel in these homes is around \$4,500.

What type of homes needed repairs the most? Applying the low, modestly, and median home-priced categories to the 1,075 homes in the housing conditions survey reveals a not-so-surprising correlation between home price and extent of repair costs.

Pricing Category	Number of units	Percent of Survey	Average Repair Cost	Median Repair Cost
Lower priced	108	10.1%	\$7,817	\$4,800
Modestly priced	164	15.3%	\$5,763	\$3,800
Median priced	251	23.4%	\$3,625	\$2,600
Above median-priced	552	51.4%	\$1,647	\$300

This evidence shows that the type of homes prospective LMI homebuyers most likely can afford are proverbial “fixer-uppers”. Purchasing a home in the low or modestly priced range requires a homebuyer to have the additional credit or cash resources available in the short- or long-term to make essential repairs after purchase.

New Housing Construction Trends

During the five-year period from 1996 to 2000, there were 1,563 single-family homes built in Grays Harbor County, roughly an average construction rate of 310 units annually. The unincorporated rural areas of the county recorded 44% of all new homes built. Another 32% of new home construction was in the City of Ocean Shores. The distribution of the remaining 24% of new housing was in the eight municipalities in the following order: Aberdeen, Westport, Cosmopolis, Elma, Hoquiam, Montesano, McCleary, and Oakville.

There were 404 multi-family units in 29 structures built as well during this time. This averages around a construction rate of 81 units per year. Nearly three-quarters of the 29 structures, however, had between two and four units.

The 2001 median total assessed value of the homes constructed during this five-year period was \$117,080. In terms of the home pricing categories, 1% were lower priced, 3% were modestly priced category, 12% were median priced homes, and 84% were above the county’s median total assessed value.

Homes built during this time were also larger; the median square footage of new homes grew to 1,562 square feet as opposed to the countywide median of 1,336 square feet.

Projected 25-Year Supply and Demand for New Housing

If the current construction rate continues over the next 25 years, the market will produce 7,750 new single-family residences and 2,025 multi-family units in the county. On the surface, this supply of single- and multi-family homes appears to satisfy the demands for housing over the 25 years in Grays Harbor County. However, the reality is more complicated. The table below shows anticipated housing demand given the low, intermediate, and high OFM projections, based on current persons per household and housing tenure rates:

Projected Demand	OFM Growth Projections		
	Low	Intermediate	High
Single-Family	-395	2803	6001
Multi-Family	-177	1260	2696

It is important to note that the price for most of this new housing remains out of reach for a moderate-income family of four whose purchase price range is from \$79,000 to \$94,800. Only 30% of new single-family homes were at or below this affordability threshold. Only 6% of new single-family homes were affordable to a low-income family of four. Another caveat is that the location of new housing has been uneven throughout the county; there needs to be a more even distribution of housing countywide to meet local demand.

The supply of multi-family housing may have trouble meeting demand if the high growth projection comes true. Like single-family housing, new multi-family units will have to match the income of the renter to truly meet demand.

Residential Mortgage Lenders

Residents of Grays Harbor County submitted 4092 home loan applications to 210 different financial institutions in 2000, according to statistics collected through the Home Mortgage Disclosure Act (HMDA).^{xviii} The largest number of applications was for home refinancing (48%), followed by home purchase (41%), and home improvement (11%). The table below shows the top ten companies receiving applications in 2000:

Financial Institution	Applications Received
Ameriquest Mortgage Company	249
Timberland Bank	240
Advanta National Bank	188
Washington Mutual Bank	186
The Money Store	158
Anchor Savings Bank	155
Countrywide Home Loans	132
Eagle Home Mortgage, Inc.	121
Chase Manhattan Mortgage Corp.	107
Conseco Financial Servicing Corp	107

Source: HMDA

Applications were most often for conventional financing (89%), followed by FHA (10%), and VA (1%). Of all 4,092 applications, financial institutions originated only 38.8%. However, the approval rate for most companies was much higher; the median application approval rate was 63.5%. Some companies received many applications, but approved very few. The top ten home lenders in the county during 2000 were:

Financial Institution	Loans Originated	Approval Rate
Timberland Bank	169	70.4%
Washington Mutual Bank	127	68.3%
Anchor Savings Bank	108	69.7%
Eagle Home Mortgage	94	77.7%
First Community Bank of Washington	57	82.6%
Wells Fargo Home Mortgage	57	77.0%
Greenpoint Mortgage Funding	54	51.4%
Ameriquest Mortgage Company	51	20.5%
Countrywide Home Loans	46	34.8%
Bank of America, N.A.	40	58.8%

HMDA data also reports the reasons why financial institutions denied loans, although not every financial institution supplies this data. The three major reasons for denial were: poor credit history (45%); insufficient collateral (29%); and, high debt-to-income ratio (25%).

Housing Issues for Low- and Moderate-Income People in Grays Harbor County

Low- and moderate-income (LMI) households everywhere experience a very wide range of obstacles that prevent them from getting or keeping safe and affordable housing. This section provides analysis on how economic, demographic, and housing market conditions in Grays Harbor County create significant problems for LMI homebuyers, homeowners, renters, and people with special needs.

An American Dream Out of Reach: LMI Homebuyers

Many LMI people looking to purchase a home face an impossibly wide chasm to jump. The reasons preventing homeownership are closely intertwined: insufficient income, high debt ratios, uneven employment history, little to no savings, lack of credit management skills, and personal choices. The usual outcomes to these issues for LMI homebuyers are either failing to secure a home mortgage or falling victim to a predatory lender.

Inability to Secure Home Mortgages

The development over the last ten years of innovative and flexible mortgage lending programs has allowed many low- and moderate-income people to become homeowners. Private lenders today are willing to assume a much greater risk in lending by allowing greater mortgage debt to income and loan-to-value ratios. These lending options are available to those with good credit history, stable employment, and incomes that can withstand greater debt.

However, past economic trends, as well as poor personal choices, have left many LMI households outside the realm of these possibilities and place them under stricter lending rules. For them, debt-to-income ratios, down payments, and loan-to-value ratios become tough barriers to purchasing a safe and decent home.

Debt-to-income ratios indicate how much of a household's income is obligated to paying off installment loans, credit cards, and other mortgage-related debt. Mortgage lenders like to see this type of debt constitute no more than 38% to 42% of a household's gross income. Beyond this threshold, credit from lenders becomes harder to obtain unless the borrower has a clean credit history and greater income limits.

The National 1998 Survey of Consumer Finances found that 79.6% of families in the \$25,000 to \$49,999 annual income range hold some level of debt.^{xix} There are 8,837

households in Grays Harbor County that fall within this income range according to the 2000 US Census. The survey went on to report for this income group that the most common forms of debt in other than home-secured debt were installment loans (50.0%) and credit cards (49.9%). For those families with installment loans, the median value of that debt was \$8,000. The median outstanding credit card balance was \$1,900.^{xx} Overall, the study found that the median debt-to-income ratio for the \$25,000 to \$49,999 annual income range was 18.1%. On the other hand, 13.8% of families in this income range had a debt-to-income ratio greater than 40.0%. Applying this statistic countywide means that at least 1,220 households in this income range experience this problem. The number is likely far larger given the county's history of economic upheaval.

Direct statistical evidence on how many families have this high debt-to-income ratio in the county is not available, but some statistics indicate its outcome. The previously reported HMDA data on loan denial is one such source. Another statistic is from the United States Bankruptcy Court for the Western District of Washington. From 1999 to 2001, county residents annually filed an average of 390 Chapter 7 and 53 Chapter 13 proceedings. To make this data relevant for comparison purposes in the district, it is possible to calculate the bankruptcy rate for every 1,000 people. Using this measure as a benchmark, Grays Harbor County ranks second among counties in the District for Chapter 7 and tenth for Chapter 13 filings.

	Rate per 1000	
	Chapter 11	Chapter 13
Grays Harbor County	5.74	0.78
Western Washington District	4.24	1.07

Source: US Bankruptcy Court, Western District of Washington, 1999, 2000, & 2001

Aberdeen Neighborhood Housing Services Housing Counseling staff report, "While a lot of the families we service had adequate income, because of consumer debt, their ratios are extremely high."^{xxi} These high debt-to-income ratios discourage responsible lenders from offering home mortgages or refinancing loans to households.

The easy availability of credit for consumer goods has tempted many households to live far beyond their means, or even the ability to pay off their debts. That is why a close companion to high debt-to-income ratios frequently is poor credit history. The National 1998 Survey of Consumer Finances found that 9.2% of families holding debt in the \$25,000 to \$49,999 annual income range had at least one payment sixty days or more past due. The HMDA data also reports that poor credit history was the most common reason for denying a loan. ANHS Housing Counseling staff also have indicated that poor credit histories are a major reason why lenders reject their clients

for home mortgages. They find that poor credit histories result from poor money management skills or an interruption in employment. Because so many people live financially near the edge of insolvency, a single month of falling behind in payments becomes impossible for many households to make up given their repayment schedules. For them, poor credit ratings become an insurmountable barrier to overcome for lenders.

Another problem area for many LMI borrowers is a lack of savings to use as a home mortgage down payment. Down payments are the residual between the amount of the mortgage a lender is willing to offer and the appraised value of the home, which serves as security for the loan. The ratio of mortgage to the appraised value of the security is the loan-to-value (LTV) ratio. Standard lending practice typically requires a LTV to be no more than 80% of the appraised value of the security. However, lenders will increase the LTV if the borrower purchases private mortgage insurance (PMI) or is eligible to participate in a government-insured program, such as VA or FHA. HMDA 2000 data for the county indicates that 10.9% of all mortgage applications sought to use FHA or VA programs, although the number of these loans approved by lenders is unknown.

The ability to place a down payment on a house reflects a household's capacity to save income. The 1998 Survey of Consumer Finances found that 58.9% of all US households in the \$25,000 to \$49,999 income range do save some money. While the total median net worth of households in this income range group is \$60,300, the median value of financial assets is only \$17,600. Financial assets consist of transaction accounts (checking, savings, and money market), certificates of deposit, bonds, stocks, mutual funds, retirement accounts, and life insurance. These assets have a wide range of liquidity. Given local economic conditions and its affect on local employment patterns, the median value of financial assets for a Grays Harbor County household is probably substantially lower. The study adds that the motivation for saving among all income groups in general comes down to the following order of priorities: retirement, liquidity, other, education, general purchases, buying a home, for the family, and investments.

Assuming local LMI households do have liquid financial assets totaling \$17,600, this amount barely covers the full range of future household needs, especially retirement and large unanticipated expenses, such as emergency medical care, purchases of durable goods, buying and repairing automobiles, and so on. Thus, the expectation that most households in this income range are capable of a 20% down payment and closing costs on a median selling priced home of \$81,000 is unrealistic. Such an amount would demand all of their financial assets.

More likely, the LMI household will need to increase the LTV as much as 90% to 100%. The example in the table below examines how increasing the LTV affects the

affordability of housing costs for an LMI family of four earning \$2,633 monthly. The tables show how 20%, 10%, and 5% down payments can make a difference for a LMI homebuyer on an \$81,000 home financed at a 30-year fixed interest rate of 7.25%.

	20% Down Payment	10% Down Payment	5% Down Payment
Down payment	\$ 16,200	\$ 8,100	\$ 4,050
Amount financed (includes closing costs)	\$ 66,096	\$ 72,900	\$ 80,821
Monthly payment of principal and interest (P+I)	\$ 451	\$ 497	\$ 551
Private mortgage insurance (PMI)	\$ -	\$ 26	\$ 45
Estimated property tax	\$ 67	\$ 67	\$ 67
Estimated hazard insurance	\$ 17	\$ 17	\$ 17
Monthly utilities	\$ 204	\$ 204	\$ 204
Total monthly housing costs	\$ 739	\$ 811	\$ 884
Percent of monthly income	28%	31%	34%

The higher monthly mortgage payment increases substantially with the higher LTV, resulting in housing costs consuming a greater percentage of monthly household income. A prospective LMI homebuyer pushed to this upper limit of monthly affordability needs strong financial management skills, a low non-mortgage debt ratio, and good credit history to have a lender consider them as a reasonable risk. Many households in the county cannot pass this threshold.

LMI households have three alternatives available to them under these circumstances. One is to remain in the housing they presently have, whether that be a rental or a home they currently own regardless of its condition or circumstances. The second option is to buy a home at a lesser value. Data on local housing conditions, however, point out that homes of lesser value often bring a range of needed repairs that mask the true cost of the home for the buyer. These homebuyers usually lack the money to do the repairs. The third alternative is to turn to a predatory lender whose business is lending to high-risk clients.

Predatory Lending

A growing problem that is eroding affordable housing opportunities for many households locally and nationally is predatory lending. The Washington State Department of Financial Institutions (DFI) defines predatory lending as "...the use of deceptive or fraudulent sales practices in the origination of a loan secured by real estate."^{xxii} Mr. Chuck Cross, DFI's chief mortgage investigator, identified the primary forms of predatory lending observed in Washington to include these deceptive lending practices:

- **Loan Type**: misleading the borrower into accepting an ARM or balloon payment when they want, and believe they are getting, a fixed rate mortgage.

- Loan Amount: misleading the borrower into accepting a higher loan amount by concealing the mortgage lender or broker fee and its impact upon the amount of the loan.
- High Interest Rates that are generally 14% to 18% as compared to around 7.5%.
- Excessive Loan Costs: misleading the borrower about the costs of the loan, typically the fees going to the mortgage lender or mortgage broker.
- Payment Amount: misleading the borrower about the amount of their monthly payment, usually by indicating that the principal and interest payment is their only payment, when in fact, taxes and insurance are added on.
- Prepayment Penalties: misleading the borrower about the existence of a prepayment penalty, which then makes refinancing the loan prohibitively expensive once the borrower recognized the other deceptions they have been subjected to.
- Equity Skimming: convincing the borrower to give the loan officer an interest in their property, whereupon the loan officer uses this position of trust to steal the equity in the property. This is a much more direct and less expensive method than foreclosure.
- Costly and Unnecessary Insurance: including in the loan agreement without the borrower's knowledge expensive credit life insurance, credit disability insurance, or unemployment insurance. These insurances are very profitable for predatory lenders, especially if they have an affiliated insurance agency.

The main concept behind these practices is for predatory lenders to strip equity from a borrower. In fact, these lenders purposely design loans that fail so the borrower eventually defaults, allowing foreclosure on the home and other assets used as collateral. Predatory lenders find their victims by intentionally searching for "subprime" borrowers, that is, people who have a history of late payments on installment debts, spotty employment, high personal debt ratios, previous bankruptcy, and other factors that prevent them from getting credit from responsible institutions. Predatory lenders connect with LMI people through an intense flood of phone calls, personal letters, and advertising. For many desperate LMI homebuyers who search for credit at any price to fund a home purchase, offers by predatory lenders are irresistible. Lenders take advantage of their situations and sign them easily due to the complexity of home financing. Without having someone looking after their interests, many LMI borrowers sign unto contracts that will extract a high financial cost or set them up for default.

Predatory lending is a devastating problem for the county in its impact and numbers. LMI borrowers who entangle with a predatory lender enter into a tunnel of debt that never seems to have an end. ANHS housing counseling staff estimates that nearly one-half of their clients have been involved with predatory lenders at some level.^{xxiii}

The payment schedules of predatory loans are difficult to keep up with and for many the outcome may be poor credit, bankruptcy, or default.

Here in Grays Harbor County, the Notice of Trustees Sales published under the legal notices of the Vidette suggest evidence of questionable lending practices by some financial institutions and private individuals. There were 152 individual foreclosure actions between January and June 2002. These notices reveal the following facts:

- The median date for the Deeds of Trust involved in the foreclosure was in May 1999 (as of June 2002).
- The notices showed that the average for a homeowner to default on their payments to a point that foreclosure became necessary was just 26 months.
- The median principal balance in the foreclosures was \$78,454 – the lowest balance was \$3,098 while the largest was \$247,026.
- Five financial institutions and private contracts accounted for one-third of the 152 foreclosure actions.

The Trials and Tribulations of LMI Homeowners

When a large, much-needed repair bill comes around, many LMI homeowners must borrow the money to cover the cost. Financial institutions offer a variety of credit options to homeowners under such circumstances that can include home equity loans and refinancing. However, just like many of their LMI homebuyer counterparts, the LMI homeowner often has trouble in accessing these tools. Moreover, it is usually for the same reasons (insufficient income, poor money management skills, and high loan-to-value ratios) and yields the same effect (failure in qualifying for the loan from a responsible lender). However, these outcomes often come about for LMI homeowners from very different angles.

Equity “Rich” but Cash Poor

Finding financing for home repairs is especially hard for the LMI homeowner who does not carry any real estate debt but lacks the income to pay back a loan. This is a surprisingly common problem in the county; the 2002 affordability survey disclosed that nearly 41% of homeowners did not have a mortgage payment on their homes, but nearly half of these households were LMI. ANHS housing counseling staff sees this condition frequently among elderly homeowners. They may have no home mortgage payment, but are financially limited to just Social Security and perhaps a small pension. With little to no savings, they do not have the income to make payments on a home equity loan. Under such circumstances, these LMI homeowners have little choice but to let their homes go unrepaired, creating unsafe or deteriorated housing conditions. By the time the occupant dies, many of these homes deteriorate to a point that their value declines and repairs become extremely expensive for the

next generation of homeowner, who may or may not have the resources to fix them. This problem negatively affects the general condition of housing in this county.

One option available only to LMI homeowners over the age of 62 in this position is a reverse mortgage. A reverse mortgage is a type of home equity loan that allows the owner to convert some of the equity in their home while retaining home ownership. Reverse mortgages work much like traditional mortgages, but in reverse. Rather than making monthly payments to a lender, the lender makes payments to the owner. Unlike conventional home equity loans, most reverse mortgages do not require any repayment of principal, interest, or servicing fees for as long as the owner resides in the home. The owner may use funds received from a reverse mortgage for any purpose, including paying taxes, insurance, fuel, and maintenance costs. The lender does not take title to the home when the owner dies, but the heirs must pay off the loan. The heirs may repay the debt by refinancing the loan into a forward mortgage, if they are eligible, or by using the proceeds from the sale of the home.

Unfortunately, financial institutions in Grays Harbor County do not offer reverse mortgage programs. The closest lenders are in the Seattle/Tacoma metropolitan area, making access to a reverse mortgage difficult, if not impossible, without the help of a local lender, agency, or organization. The relative unfamiliarity of most people to reverse mortgages, as well as their complexity, does not make it a “user friendly” choice for the elderly to arrange on their own. Those who contact the ANHS housing counseling program do receive such assistance, although it is unclear if other programs or lenders in the area do the same. The number of reverse mortgages made to LMI homeowners in Grays Harbor County is unknown.

Predatory lenders are particularly attracted to these LMI homeowners. They will approve home equity loans to LMI homeowners without concern about repayment ability. In these cases, the equity is greater than the loan value, making foreclosure by the lender a profitable affair.

Another option for these LMI homeowners is grants. The Coastal Community Action program offers a minor home repair program and a few charitable organizations do provide some assistance. While the scope of assistance by publicly funded programs has decreased significantly in the past fifteen years, charitable efforts have slowly increased, such as Christmas in April and assistance by the ecumenical community.

Poor Money Management Skills

Another situation frequently preventing LMI homeowners from acquiring the financing they need for home repairs springs from poor money management skills.

These households often have two factors in their favor: equity in their home and an income that could support a second mortgage. What they do not have in their favor are high debt-ratios and poor credit histories from out of control consumer spending, too many installment loans, and excessive credit card balances. These people have succumbed all too often to the “buy now, pay later” approach. Naturally, responsible lenders avoid extending credit to such overextended LMI homeowners.

The outcome of failing to get credit often means the repairs go undone. A deferred \$3,000 roof replacement can quickly lead to costly deterioration elsewhere in the structure. As the repair bills mount and the home becomes a wreck, the home’s equity gradually diminishes. Eventually the condition of the home affects the quality of the entire neighborhood, causing area properties to lose their value, too.

The crux to helping LMI homeowners is increasing their financial skills. LMI homeowners need better abilities to manage budgets, save, and avoid the temptation of living far beyond their means through credit cards. ANHS notes that it can take up to two years to recover a household’s financial position to a point that makes them credit worthy again.

Not Enough Equity to Borrow for Repairs

Loan-to-value (LTV) ratios are another problem for LMI homeowners needing money to do essential home repairs. For example, take a homeowner with a modestly priced home of \$50,000 that needs \$6,000 worth of repairs. A typical home equity loan allows a homeowner to borrow up to \$25,000 and 90% of the assessed value, less the first mortgage. Assuming the owner purchased the home with a 5% down payment, a fixed 7.25% interest rate, and a 30-year term, it would take about 12 years to build enough equity in the home before even qualifying for a home equity loan under these terms. Unfortunately, the timing of repairs does not always fit such timeframes.

ANHS housing counseling staff regularly comes across new LMI homeowners who purchased low or modestly priced “fixer uppers” and soon after face a major repair bill. Many LMI people purchase these homes in the first place with the assistance of predatory lenders who rely on appraisals that fail to appropriately reflect the local housing market. Without the cash to pay for the repairs outright, they will need to go further into debt to make the repairs. Responsible financial institutions do not lend for an amount greater than the value of the equity. In some cases, homes can be in such a deteriorated state that a house can be worth less than the purchase price plus essential repairs.

The dilemma is a familiar one of whether the LMI homeowner can afford to forgo the repairs or turn to a predatory lender. Either choice has its own road to ruin;

deferring the repairs can cause costly or irreparable damage to the home while using the predatory lender means high loan costs and interest rates. Again, the impacts of a deteriorated home can travel beyond the home to the neighborhood.

The key to helping these LMI homeowners is two-fold. The first is having independent inspection services available to the prospective LMI buyer. Such disclosures would help them make informed decisions as to whether the home is an appropriate purchase for them given its condition, their financial capacity, and whether the home cost truly reflects local market conditions.

The second is having a loan program that will go beyond the 95% LTV normally acceptable to financial institutions. Because many of these LMI homeowners already are near their threshold for affordable housing or debt-to-income ratio, they may also need lower interest rates and longer terms than the private market typically provides.

LMI Renter Challenges

Nearly one-third of households in Grays Harbor County live as renters and many of them face serious housing challenges. While renters share many of the same affordability and credit problems as homeowners, they carry the additional burden of poor housing quality and landlord-tenant conflicts.

Affordable Housing

Affordability of housing is probably the biggest problem facing renters in Grays Harbor County. Whether using the 2002 telephone survey results or the 2000 US Census data, median housing costs in the county are clearly higher than what many households can afford.

As the 2002 telephone survey point out, 65.7% of renters in the Aberdeen calling area qualify as LMI. For 39.4% of this group, monthly housing costs exceed 33% of their monthly income. In real numbers, this projects to approximately 2,150 out of 8,313 renter households in the county who experience housing affordability problems. Within this group, their median monthly rent was \$475 and total monthly housing costs ran around \$580.

These rent levels especially affect those households falling within the very low- and low-income bracket. Housing costs for them assume 45% to 50% of their monthly income, leaving little room for daily living expenses. ANHS housing counselors and other social service agencies observe that households in this income group survive by relying on the community “safety net” of emergency support services, such as food banks, rent support, energy assistance, etc. Housing costs become one of many

contributing issues that keep people in a perpetual cycle of poverty that is impossible to break.

Census data suggests that poor rental housing conditions are a likely cause of affordability problems for LMI households. The supply of rental units with gross rents under \$500 in the county (page 35) is greater than the number of people who must rely on these units for housing (page 27). What may be causing such high affordability problems for LMI households is the quality of the housing supply. People are probably renting higher cost units to escape the extremely poor condition of lower cost housing. This assumption carries weight when considering the results of the 2001 housing survey – there is a clear link between lower-priced homes and deteriorated housing conditions.

Public sector assistance that subsidizes rents or provides housing for low-income renters is of great help, but these programs have been relatively static or declining over the past decade. As the next section on available housing assistance programs indicates, the number of people who these programs serve are relatively small compared to the overall need.

Landlord improvement of rental properties presents its own dilemma. Fixing the property requires raising rent to recoup the cost, which either makes the rental even more unaffordable for the tenant or forces their displacement to cheaper housing in poor condition. The large number of seriously deteriorated rental homes in certain neighborhoods speaks to how acute this problem is for LMI people – they exist because there is a strong marketplace for them and some people simply cannot afford anything better.

Sheer poverty is not the only reason some LMI people live in poor housing conditions. Housing expenses sometimes must take a back seat for a financially overextended household. ANHS counseling staff frequently see many LMI households whose financial obligations far outstrip their income. These people juggle payments and rely on costly credit provided by predatory lenders to get them by on a monthly basis. Eventually their debts grow to such an extent that they fall behind on their obligations forcing them into lower quality homes or even homelessness.

A manifold of reasons exist why many LMI renters find themselves in this situation. Part of the problem is market oriented; irregular employment and declining wages due to economic restructuring in the county has affected people's consumer patterns to rely more on credit. LMI renters, the archetypical "sub-prime" borrowers, periodically turn to predatory lenders and credit card companies with high interest rates for covering day-to-day living expenses during periods of irregular employment. Most of these people find it difficult or even impossible to extricate

themselves from ever increasing debt. Moreover, some LMI people push themselves over the financial edge by succumbing to the temptations of deficit consumer spending. To make ends meet, these households need to bring their housing costs far below 33% of their income. One interesting outcome to this problem is to create a high demand for a lot of very low quality housing. If LMI households could improve their finances, the market might respond with higher quality housing. Thus, for this group of LMI renters, financial counseling services and mentoring would likely have a pronounced positive affect on their housing quality in the county.

Landlord-Tenant Issues

Chapter 59.18 of the Revised Code of Washington establishes rights and responsibilities for both tenants and landlords. Despite the law's existence, many LMI renters regularly experience conflicts with landlords. ANHS housing counseling records reveal the most frequent violations of the law by landlords as:

- Locking tenants out of their home when they fall behind in their rent by changing locks, adding new locks, or otherwise making it impossible to use the normal locks and keys;
- Seizing and selling a tenants' property as compensation for failure to pay rent;
- Deliberately shutting-off utilities because a tenant is behind in rent or to force them to move out;
- Failing to make repairs after appropriate notification by a tenant; and
- Not returning tenant damage deposits when no damage to the apartment occurs.

Landlord-tenant conflicts often go unresolved because many LMI tenants are afraid of asserting their legal rights even though legal and paralegal assistance is available to help them in the community.

An Elusive Goal: Safe, Affordable Housing of Choice for People with Special Needs

People with special needs face a multitude of problems that prevent them from obtaining safe, affordable, housing of choice. The 1997 plan, Creating Housing Opportunities for People with Special Housing Needs, presented a well-documented list of needs based on surveys and key informant interviews. A summary of the needs in the plan follows below.

People with Developmental Disabilities

Most developmentally disabled adults in the county reside in the Aberdeen-Hoquiam area to take advantage of the concentration of urban services. Two-thirds

live by themselves or with roommates in single-family residences and manufactured homes, while about one-third live in apartments. Their incomes, generally Supplemental Security Income and/or Social Security, fall below the federal poverty threshold.

Many developmentally disabled adults are highly dependent on support services, such as assistance with daily living skills, housekeeping, personal finances, and minor home repair and maintenance. Family members, roommates, and group living staff typically provide the bulk of these services. Case managers also provide assistance.

The lack of safe and decent housing is the number one residential problem facing these adults. Like other low-income renters, most developmentally disabled people live in substandard housing conditions because they cannot afford anything better. Landlord-tenant disputes are common, especially regarding essential repairs. Community advocates emphasize that developmentally disabled adults need to receive more publicly supported housing opportunities, such as Section 8 Certificates or public housing. Currently, the amount of public resources dedicated towards these adults barely scrapes the surface at solving their housing needs.

In addition, many developmentally disabled adults remain in supervised group settings rather than independent ones only because of the inadequate availability of supportive services. The allocation of greater public funding for supportive services will be essential to help these people develop much preferred independent living arrangements.

People with Mental Illness

People with mental illness face the same housing challenges experienced by developmentally disabled adults. They similarly share low-income levels, live in substandard or very unaffordable housing conditions, and need a wide range of supportive services to keep them living independently. Most live in the Aberdeen/Hoquiam area to stay close to urban services.

The absence of transitional housing in the county is a critical housing gap for people with mental illness that prevents community-based treatment. Mental health professionals advocate the need for local residential settings with case management services, particularly for short-term or respite care from a situational crisis. If these facilities were available locally, individuals with severe and persistent mental illness could receive an elevated level of care that could reduce the potential for future hospitalization that is available only outside the community.

People with Chemical Dependency

People with chemical dependency live throughout Grays Harbor County and come from all income levels. LMI people with chemical dependency have the same housing problems as any LMI homeowners or renters, albeit with one key difference: finding and maintaining a residential setting that is clean and sober.

People with chemical dependency need a home setting that is free of drugs and alcohol as their best guarantee for staying clean and sober. This can be short-term transitional housing during treatment or permanent housing. The barrier for affected LMI people is having the financial resources to switch when needed. These include coming up with new damage deposits and finding safe housing within their affordability range.

Victims of Domestic Violence

The typical profile for a victim of domestic violence is a young woman with children under the age of 18 who falls below the low-income threshold. Like any LMI household, getting affordable housing of quality is a key problem. However, this problem is especially acute for domestic violence victims; moving away from an abusive setting may be the preferred solution, but most victims lack the financial resources to do so. Furthermore, there are few financial resources available to help victims on very short notice. Other housing problems victims face are finding housing they feel is safe for them and their children and that is within proximity to transit, their existing jobs, and schools.

Mobility-Related Impairments

Accessibility issues most often cause the greatest housing problems for people with mobility-related impairments. Finding an accessible home is a difficult task for many individuals, especially a rental unit. Compounding this problem further is the need for accessibility within neighborhoods. Sidewalks in good repair, automatic doors at businesses, transit stops, street lighting, and marked crosswalks are essential.

Many individuals with mobility-related impairments depend on receiving assistance with daily living chores. Needed supportive services consist of: help with personal care, everyday household chores, buying food and clothes, and doing minor home repairs and maintenance. However, public resources are currently insufficient to provide the level of care LMI people need to remain adequately independent. Greater financial supports, especially for housing-related costs, are a high priority need.

In addition, people with mobility-related impairments often find themselves in difficult financial situations during long periods of recovery. Income supports from public and private sources are rarely equivalent to their previous salaries, making daily living expenses, including housing costs, difficult to meet. Many also lack the money to make their existing home fully accessible. This can lead to struggling within their inadequately accessible homes or living not by choice in group care facilities. Those who live in rentals often have no other alternative but to relocate. The stress of these situations can dramatically affect a person's mental and physical recovery.

Local Housing Resources for Low- and Moderate-Income People in Grays Harbor County

Low- and moderate-income households and people with special needs in Grays Harbor County have access to a wide variety of housing assistance programs currently in place, although the funding depth of each resource generally is not enough to meet all needs. The three main local entities offering assistance are the Housing Authority of Grays Harbor, Aberdeen Neighborhood Housing Services, and the Coastal Community Action Program.

The Housing Authority of Grays Harbor

The Housing Authority of Grays Harbor (HAGH) originated in 1951 as a public municipal corporation to provide low-rent public housing for low-income county residents. Much of the funding necessary to operate HAGH's programs comes from the US Department of Housing and Urban Development. A board of directors, appointed by the Grays Harbor County Commissioners, sets policy, which an Executive Director and staff implement.

HAGH operates two flagship programs that aim at reducing housing costs for low-income people to 33% of their monthly income. The agency's largest program focuses on the ownership and management of 492 multi-family housing units for low-income people, especially the elderly. HAGH expects to have available another 20 units later in 2002. Once these units become available, HAGH will have increased their inventory of publicly owned housing by nearly 20% over the past five years.

In addition, HAGH manages 178 Section 8 Certificates, which is a rental subsidy program for low-income people in privately owned single- and multifamily housing. Landlords participating in the Section 8 program must accept HUD determined rental rates and meet strict standards for safe and quality housing. Public demand for Section 8 Certificates is always high; households wanting a Section 8 Certificate typically must endure long waits before receiving one. Despite the program's popularity, HUD rarely awards new Certificates; in fact, HAGH has seen no increase in its number of Section 8 Certificates over the past 10 years.

Aberdeen Neighborhood Housing Services

Aberdeen Neighborhood Housing Services (ANHS) is a nonprofit corporation primarily specializing in creating safe and affordable housing opportunities for low- and moderate-income people through homeownership and housing counseling

programs. Founded in 1981, ANHS for many years concentrated their efforts only in Aberdeen. Today, the organization is attempting to expand its program delivery area countywide.

ANHS has a versatile array of housing rehabilitation, financing, and housing counseling programs. These include the:

- Exterior Loan Program, which lends up to \$5,000 to improve or enhance the outside appearance of a home. Borrowers must repay the loan back within three years.
- Home Improvement Loan, a low interest loan to low- and moderate-income homeowners emphasizing health and safety repairs. Loan amounts can range from \$1,500 to \$30,000 with varied interest rates and terms depending on need.
- Home Ownership Down Payment Loan program makes loans up to \$15,000 to cover down payment and payment costs. Loans have 10- to 15-year fixed interest rates and require a 2% loan fee.
- First Mortgage Lender program partners ANHS Home Improvement and Down Payment Loans with local lenders Anchor and Timberland Savings Banks. The program overcomes LTV problems with low, modestly, and median priced homes, ensuring that the home purchase is both safe and affordable for the occupant.
- Housing Counseling program provides free counseling in mortgage default, pre-purchase analysis, Landlord-Tenant Act disputes, reverse mortgages, and household budgeting and financial planning.
- Oakview Association owns and manages two single-family homes in Elma for developmentally disabled adults. Harbor Alternate Living Association provides support services for residents.

The Community Development Block Grant Program is a major funder for ANHS programs, followed by the Washington State Housing Finance Unit, Neighborhood Reinvestment Corporation, Neighborhood Housing Services of America, and a variety of private and public foundation grants.

Coastal Community Action Program

The Coastal Community Action Program (CCAP) is a community action agency serving Grays Harbor and Pacific Counties for over 30 years. CCAP provides a very wide range of social services to the community and offers several programs providing emergency housing assistance to very low-income people through their Housing and Community Services Division. Their main housing assistance programs include the:

- Low-Income Home Energy Assistance Program (LIHEAP) that assists low-income people with their heating costs in the cold months of the year and furnace repair/replacement.
- Private Fuel Funds to help qualifying families with deposits or 30 days of service to prevent gas shutoffs.
- Housing Opportunities for Persons with AIDS (HOPWA), short-term rent, mortgage, and utility assistance to people with HIV disease and their family to prevent homelessness.
- Emergency Shelter Assistance Program (ESAP) and Transitional Housing Program to house homeless families and provide case management services.
- Weatherization Programs for low-income families to insulate their homes.
- Minor Home Repair Program covers up to \$15,000 in costs to repair and weatherize eligible owner-occupied homes.

Funding for CCAP housing programs primarily comes from the State of Washington and the federal Departments for Housing and Urban Development and Health and Human Services.

Other Local Organizations Providing Housing Services

In addition to HAGH, ANHS, and CCAP, there are many other private, nonprofit organizations providing an assortment of specialized housing assistance services. They typically serve unique needs of special needs populations within the county. They are:

Harbor Alternate Living Association

Harbor Alternate Living Association (HALA) is a nonprofit agency delivering a variety of residential support services to developmentally disabled adults in Grays Harbor County. These services enable adults to live independently in their own homes. All services tailor-fit individual needs and may range from 30 hours per month to 24-hour supervision. HALA also has a Community Access program that provides activities, special assistance, advocacy, and education for five adults without employment opportunities. HALA receives its funding from Grays Harbor County and the state's Division of Developmental Disabilities.

The Evergreen Counseling Center

The Evergreen Counseling Center is a licensed, nonprofit mental health service provider delivering community support and treatment services to chronically mentally ill adults enrolled through the Grays Harbor County Regional Support Network (RSN).

Evergreen performs a vital function for adults with mental illness through its delivery of case management and residential support services. These services aim at maintaining individuals within the community and in their own homes by assisting with entitlement and payee services, budgeting, transportation, food, clothing, cooking, landlord-tenant issues, and housing. In addition, Evergreen owns and operates residences in Aberdeen and Hoquiam to provide cluster living opportunities for 26 homeless, chronically mentally ill adults. Grays Harbor County and Evergreen jointly operate the Crisis Clinic in Hoquiam to provide temporary respite care for up to 12 adults.

The Domestic Violence Center

The Domestic Violence Center currently provides a confidential, short-term, safe home network for battered women and their children. The center also operates a shelter in the county that serves as a transitional residence for women and their families for extended periods while receiving supportive services such as counseling or job training.

Central Park Oxford House

The Central Park Oxford House is a self-help, supportive housing arrangement for eight to twelve men recovering from chemical dependency. Oxford House is a self-run, self-supported recovery house that offers clean and sober living arrangements for adults who have completed a 21-day treatment program or have been clean and sober for at least 30 days. A man can stay at Oxford House as long as he avoids alcohol or drug use and pays an equal share of the house's expenses. While there is no maximum residency period, the average stay is about one year.

Harbors Home Health and Hospice

Harbors Home Health and Hospice is a nonprofit organization providing alternate care to acutely ill, chronically ill, disabled, or terminally ill people in their own homes. The program assists the family in maintaining an individual in the home setting while ensuring adequate health care through professional and supportive services. Services include: physical and occupational therapy, on-call nursing care, speech and language therapy, home health aides, medical social workers, and foot care clinics. Medicare pays for skilled services if the person is homebound; Medicaid and private insurance coverage varies by policy. Some limited financial assistance is also available.

Friendship House and Union Gospel Mission

Both the Friendship House and the Union Gospel Mission are emergency shelters offering overnight stays. The Friendship House provides short-term accommodations for women and children, although boys over the age of eight are not eligible to stay. The Union Gospel Mission similarly provides temporary shelter for homeless men over the age of eighteen. Residents at both shelters cannot be under the influence of alcohol or drugs during their stay. The Friendship House and the Union Gospel Mission are religiously affiliated shelters.

Endnotes

- ⁱ <http://www.wa.gov/esd/lmea/download/00aaarea.xls>
- ⁱⁱ <http://www.wa.gov/esd/lmea/labrmrkt/byarea/gray.htm>
- ⁱⁱⁱ 2000 US Census, Table DP-3 for Washington State and Grays Harbor County.
- ^{iv} Washington State Employment Security Department Labor Market and Economic Analysis Branch, April 1, 2002 <http://www.wa.gov/esd/lmea/download/download.htm#iewaa>
- ^v <http://www.comcon.org/resources/chas/state.asp>
- ^{vi} County Estimates for People of All Ages in Poverty for Washington: 1998 and 1993 <http://www.census.gov/hhes/www/saipe/stcty/estimate.html>
- ^{vii} http://www-app2.wa.gov/dshs/rda/cdata/librarydata2000/excelfiles/county/dshs_2000_county_14.xls
- ^{viii} County Profile of Substance Abuse and Need for Treatment Services in Grays Harbor County, DASA/ DSHS, Revised March 2002.
- ^{ix} Income Assistance, Social Services, and Medical Assistance (The Blue Book), DSHS, February 2002.
- ^x <http://www.waspc.org/wucrwibr/2000/Table21.pdf>
- ^{xi} http://www.doh.wa.gov/cfh/HIV_AIDS/Prev_Edu/statistics.htm
- ^{xii} Grays Harbor County Assessor records are not complete for square foot lot size in the unincorporated areas.
- ^{xiii} The geographical scope of the telephone survey was the local calling in western Grays Harbor County, which included the incorporated cities of Aberdeen, Cosmopolis, Hoquiam, Montesano, Ocean Shores, and Westport, as well as the surrounding rural areas.
- ^{xiv} The geographical scope of the telephone survey was the local calling in western Grays Harbor County, which included the incorporated cities of Aberdeen, Cosmopolis, Hoquiam, Montesano, Ocean Shores, and Westport, as well as the surrounding rural areas.
- ^{xv} The 2000 US Census reported a countywide estimated median monthly mortgage with selected household costs to be \$875 and the median gross rent to be \$500. It also reported that 38.5% of owner-occupied homes did not have a mortgage.
- ^{xvi} When the index is 100, there is a balance between the family's ability to pay and the cost. Higher indices indicate housing is more affordable. First-time buyer indices assumes the purchaser's income is 70% of the median household income. Also, homes purchased by first-time buyers is 85% of the area's median price.
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<ul style="list-style-type: none"> • Substandard 	Housing unit with three or more minor defects such as deficient handrails, peeling paint, broken window frames, and other conditions that do not affect the structural integrity of the unit.
<ul style="list-style-type: none"> • Moderately Deficient 	Housing unit with a combination of three or more structural and non-structural conditions that cause blight on the neighborhood and may create a threat to health and safety.
<ul style="list-style-type: none"> • Deteriorated 	Housing unit with three or more major defects such as obsolete and dangerous wiring, inadequate plumbing, the need for a new roof, the need for a new foundation, the absence of insulation, excessive overcrowding or other health or code related conditions of a similar level.

^{xviii} HMDA is administered by the Federal Financial Institutions Examination Council (FFIEC).

^{xix} Recent Changes in Family Finances: Results from the 1998 Survey of Consumer Finances, <http://www.federalreserve.gov/pubs/bulletin/2000/0100lead.pdf>

^{xx} The report defined “installment borrowing” as ... “consumer loans that typically have fixed payments and a fixed term. Examples are automobile loans, student loans, and loans for furniture, appliances, and other durable goods.” Page 22.

^{xxi} Memorandum from Royce M. Travis, Aberdeen Neighborhood Housing Services, November 14, 2001.

^{xxii} DFI website, <http://www.dfi.wa.gov/predatorylending.pdf>

^{xxiii} Memorandum from Royce Travis, Aberdeen Neighborhood Housing Services dated November 14, 2001.