

**Perspectives on Housing in Washington State:
Conditions in Walla Walla**

**Alan Blickenstaff
Politics 402
Whitman College
November 17, 2005**

Abstract

Housing is an issue that affects everyone, regardless of race or class, thus current disparities in statistics such as home ownership and community quality between Latinos and whites are especially troubling. With the help of Ruben Garcia, a local real estate agent, and Ben Hooper and Ishbel Dickens of the Columbia Legal Services, I have pursued reasons behind these discrepancies in the Walla Walla region. Basic findings are in line with scholarly literature on the subject, citing a lack of education and some measure of steering beyond simply economics. Additionally, Latinos are at a higher risk to be pushed out of the home buying potential by market shifts towards more expensive houses. Main recommendations of this paper are that home buying information should be available in Spanish as well as English, that governmental data be re-envisioned so as to better capture the actual climate, and that tenant rights be strengthened through acts of legislature.

Scholarly Research on the Issue

According to the U.S. Census Bureau, in 2003 the national homeownership rate was at 68.2%¹; broken down into racial and ethnic categories, the rate was a rather stark 72.2% for whites as opposed to 47.6% and 46.3% for blacks and Latinos respectively. When such a discrepancy occurs, obviously it is going to raise some questions concerning why such a difference occurs. Scholarly literature, as well as advocacy groups, industry professionals, and governmental institutions have been grappling with the answers to these very questions.

The fact that less Latinos and blacks own homes than whites could mean several different things. It could mean that there is an inadequate supply of houses which fit the needs and desires of certain buyers more than others, and proportionally more of these buyers fall into Latino and black categories. It could mean that Latinos or blacks are, relative to whites, less able to afford the costs of home ownership, which could mean qualifying for loans or having money available for down payments and closing costs. It could mean that there is some form of institutional or personal discrimination, which is favoring white home buyers over Latino or black.

Authors and organizations, through their studies, tend to fall on one side or another of the debate which has been formed about the causes of this housing discrepancy. On one side, there is a school of thought which tends to emphasize the socioeconomic factors, citing discrepancies in income levels (median income in 2002 was \$54,633 for white families, as opposed to \$33,525 for black and \$34,185 for Latino²), education, and other factors, as the keys which causes the split. For example, one study in 2004 used Census microdata for the San Francisco Bay area to evaluate home ownership discrepancies. By correcting for socioeconomic factors, they were able to explain the majority of the discrepancy: “Sociodemographic characteristics, including education, income, language, and immigration status, have the potential collectively to explain almost 95 percent of the segregation of Hispanic households”³.

This same argument is made by lending institutions, which explain the difference as the result of being economic actors, which will obviously act in their economic best interest and favor those clients which appear to be better financial investments. In other words, those who have characteristics which banks could view as financial liabilities (lower income, unsteady work, lack of education, etc) explain the discrepancy in terms of loan applications which are

1 United States. Census Bureau. Statistical Abstract of the United States. N.p.: U.S. Census Bureau, 2004-05 (Chart No. 950).

2 United States. Census Bureau. Statistical Abstract of the United States. N.p.: U.S. Census Bureau, 2004-05 (Chart No. 670).

3 Bayer, Patrick, Robert McMillan, and Kim S. Rueben. “What Drives Racial Segregation? New Evidence Using Census Microdata.” Journal of Urban Economics 56. 2004: 514-535.

accepted between races. Simply put, this rationale gives institutions the benefit of the doubt, suggesting that unless large studies are able to prove otherwise, it makes more sense to see lending agents as economically rational entities⁴; basically meaning that if a minority and a white applicant have the same risk level, they will get equal acceptance.

One of the main ways in which this viewpoint is backed up is by what is actually missing from governmental data⁵. The Home Mortgage Disclosure Act (HMDA), which was originated in 1975 by Congress and is enacted through the Federal Financial Institutions Examination Council (FFIEC) to collect public data about lending institutions “that can be used to assist: in determining whether financial institutions are serving the housing needs of their communities... and in identifying possible discriminatory lending patterns”⁶. Essentially the data which is collected includes quantity of loan applications (and subsequent acceptance or refusal) sorted by income and race, as well as other statistics about the types of loans desired and types of financing being done. What is not included are statistics about the applicants themselves, beyond simply their race, income bracket, and whether they are approved or not. The data does not include “the borrower's credit history, debt load, and overall risk profile, the value of the property, or the documentation supporting the application information [and] also does not include the many other factors each lender considers in setting its prices, including cost of funds, prepayment risk, overhead expenses, loan-servicing costs, variations in the channels through which a loan may be processed, and the supply and demand of a particular type of loan in the secondary market”⁷. Without this data, which would enable analysts to compare approval and denial rates of similar customers, some theorists claim that we simply cannot make that judgment and must instead rely on the financial institutions to do that themselves. Essentially, the assumption is, again, that if all the factors are the same, then acceptance rates would be identical.

In opposition to these approaches, other theorists have attempted to show that there are factors beyond simple socioeconomics that lead to the home ownership disparity. Basically, these arguments state that there is a fundamental difference in the ways in which minorities and whites are treated throughout the process, which cannot simply be explained by running a statistical correction on income or educational attainment. This difference is attributed to an institutional and personal prejudice which alters the way in which minorities and whites are given access to and treated within the home buying process.

For example, the majority of home buyers utilize the services of a realtor, and by doing so become vulnerable to prejudicial steering, which is the process by which buyers are segregated by real estate agents into communities that they *should* live in. A study published in 2005 by Galster and Godfrey⁸ analyzed the presence of steering in the Housing Discrimination Study (HDS) of 2000 conducted under the Fair Housing Act of 1968, which they then compared to a similar study conducted in 1989. Using paired-tests, in which members of different race groups with similar credentials go to identical lending agencies and compare treatment, this study found steering present in both white-black and white-Hispanic comparisons, though to a lesser extent in the latter. The most prevalent form of steering among Latinos was at the census

4 Bergman, Hannah. “HMDA Data Shows No Bias, Law Firm Concludes.” American Banker 170.104 1 June 2005: 3-3.

5 Zindler, Ethan. “Fed: HMDA Data Explain Most Variations in Price.” American Banker 170.177 14 Sept. 2005: 1.

6 Background and Purpose of HMDA. n.d. Federal Financial Institutions Examination Council. 3 Nov. 2005. <<http://www.ffiec.gov/hmda/history.htm>>.

7 Kolar, Joseph M. “HMDA Data Should Spur Financial-Literacy Efforts.” American Banker 23 Sept. 2005: 184-184.

8 Galster, George and Erin Godfrey. “By Words and Deeds: Racial Steering by Real Estate Agents in the U.S. in 2000.” Journal of the American Planning Association 71.3 Summer 2005: 251-268.

tract level through segregation into neighborhoods; basically, agents are limiting the properties which they are showing prospective buyers on the basis of racial conglomeration. Additionally, they have found that there has not been a significant decrease in the occurrence of such steering, which is surprising given that the Fair Housing law was strengthened in 1988. This implies that the enforcement is inadequate or that the possible deterrent factor is outweighed by something else.

Utilizing the same data (HDS 2000 and 1989) Zhao made similar conclusions, which found that even when correcting for socioeconomic status, blacks and Hispanics were shown 30 and 10 percent fewer units respectively than whites⁹. Zhao then further manipulated the data to isolate the ways in which prejudice was acting in the encounters. He found that among real estate brokers, there is a certain degree of prejudice which has gone unchanged even with the enforcement of the FHA, including ways in which minority brokers are prejudiced against other minority groups, which stresses the importance of not lumping all minority groups into the same category. This has been echoed in other essays, which stress the ways in which each racial group has different experiences of discrimination, and to simply apply findings about one to another would be incorrect¹⁰. Zhao's other main finding was that the strongest evidence of prejudice was a result of the bias of a broker's white customers. In other words, the main reason that brokers engaged in steering mechanisms was because of the racist prejudices of the white customers which were shown other neighborhoods.

Another common theme of the critiques lies in the arena of cultural capital, which essentially alleges that the differences in home ownership and loan acceptance could be somewhat explained by looking at the presence of education about the process and general understanding of the process by the buyers. A recent study by the FDIC exposed that there is a general misconception within the Latino community about the process of home ownership:

“The FDIC said many Latino renters and first-time homebuyers frequently held misconceptions about the purchase process. For example, the report said, a recent study found that 73% of the general population but only 22% of Latinos knew that borrowers do not need a perfect credit rating to qualify for a mortgage. Similarly, 74% of the general population but only 27% of Latinos were aware that borrowers do not have to take a 30-year mortgage loan.”¹¹

Similar conclusions were reached by Pliagas¹², though with a different motivation. She claimed that the primary reason for the discrepancy was an educational deficiency, but she said that this proved that the process was non-discriminatory. DiPasquale and Kahn¹³ went the opposite route with their study of housing choice. They examined the choice of communities by people moving into the Los Angeles area, then controlled for income and other factors to compare the places where different races ended up. They concluded that universally people of all races strove to live in the highest quality communities possible, but that minorities ended up in substandard communities based on their means at a disproportionately often rate. Further, they explain that this difference could be explained by institutional discrimination or that it could be found based upon the understanding and education of the different buyers:

“This gap may reflect differences in preferences between majority and minority households, but our data do show that as minority income rises minorities choose higher-quality communities. This evidence suggests to us that the gap in community expenditures is unlikely to be explained by differences in preferences. This gap would result if minorities lack information about potential opportunities because they

9 Zhao, Bo. “Does the Number of Houses a Broker Shows Depend on a Homeseeker’s Race.” Journal of Urban Economics 57. 2005: 128-147.

10 Krivo, Lauren J. “Immigrant Characteristics and Hispanic-Anglo Housing Inequality.” Demography 32.4 Nov. 1995: 599-615.

11 Blackwell, Rob. “FDIC: Bridge Hispanic Info Gap.” American Banker 170.59 29 Mar. 2005: 4-4.

12 Pliagas, Linda. “The Real Deal.” Hispanic Washington 18.1/2 Feb. 2005: 30-32.

13 DiPasquale, Denise and Matthew K. Kahn. “Measuring Neighborhood Investments: An Examination of Community Choice.” Real Estate Economics 27.3 Fall 1999: 389-424.

use different resources in their search than majority households.”

The implications of a cultural capital explanation are paramount. That means that while there may be institutional segregation, even if there was not, Latinos would be at a disproportionate risk to be denied or abused by the system.

Finally, several authors stress that cultural perceptions and experiential predispositions can also influence the socioeconomic status of Latinos, as well as their access to home ownership opportunities. One such study has stressed the absolute importance of demographics, but simultaneously has recognized the way in which perceptions of the process are a key factor which exacerbates the discrepancy: “Whether it's due to cultural or historical factors, minority consumers often feel like foreigners in the U.S. when they're in the market for a mortgage loan”¹⁴. The author then proceeds to explain that this is due to either misconceptions about the ways in which their credit histories and other factors match up with other consumers or that it can be developed by a cultural mistrust of banking institutions. By feeling outside the system, minorities are less likely to establish long-running affiliations with banking institutions, which directly impacts their ability to build sufficient credit histories. In a study of the discrepancy between assets of minorities and whites, Clouthury echoes the sentiment¹⁵. Analyzing similar discrepancies in the presence of non-home liquid assets among minorities and whites, which along with home ownership constitute a household's primary means of wealth generation, she attributed the differences to both access to institutions and cultural differences in the perception of investment and savings. Both of these views explore the ways in which socioeconomics might describe the discrepancies in housing, but go beyond that to analyze the ways in which the socioeconomic status is shaped and reinforced by cultural and discriminatory boundaries.

It is for these reasons, that I have chosen to focus my research in several ways. First, I wanted to illustrate the ways in which socioeconomic discrepancies (for example, income) can play a large role in the presence of available housing on the market, which leads to exclusion and competition. Secondly, I wanted to find the ways in which that discrepancies was made more prevalent by the lack of access to basic information about the process, which would have given Latinos a disadvantage in this competitive market. And finally, I wanted to illustrate the ways in which the lack of data, in HMDA data for example, make isolating true causes of the housing discrepancy difficult.

Methods

In terms of quantitative data, I relied heavily upon the U.S. Census Bureau's public data¹⁶ to gather information on the conditions nationwide and within Washington state for the Latino community. Unfortunately, I was unable to use HMDA data, since it is broken down into Metropolitan Statistical Area/Metropolitan Division (MSA/MD), which refers to an area with at least one metropolitan area of 50,000+ population¹⁷, which Walla Walla does not qualify as. Thus, for governmental data, the smallest unit that I was able to deal with was Washington state, or another metropolitan area. It would have been greatly useful to have been able to obtain governmental statistics for Walla Walla as a city, as the simple lack of data makes it nearly impossible to isolate issues in the Walla Walla region.

To relate the data back to Walla Walla, I used several sources. One such source was a

14 Yin, Sandra. “The Title Wave That Isn’t.” *American Demographics* 25.8 Oct. 2003: 32-36.

15 Choudhury, Sharmila. “Racial and Ethnic Differences in Wealth and Asset Choices.” *Social Security Bulletin* 64.4 2002: 1-14.

16 United States. Census Bureau. *Statistical Abstract of the United States*. N.p.: U.S. Census Bureau, 2004-05.

17 *HMDA Glossary*. n.d. Federal Financial Institutions Examination Council. 3 Nov. 2005.
<<http://www.ffiec.gov/hmda/glossary.htm>>

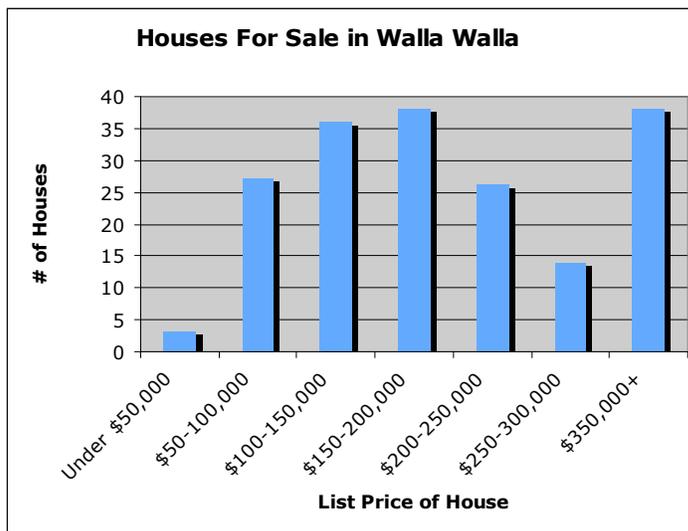
affordability calculator¹⁸ available on a local realty website, which would calculate based upon income, level of debt and down payment the most expensive house that you could hope to afford. Next, I established basic income brackets, based upon the ways in which the Census Bureau divides the data, and plugged mean income for that bracket into the calculator. Then I looked within local realty search engines to view available properties. Additionally, I kept track of the web sites locally which had basic information about the process, as well as special programs for first time buyers and an optional Spanish language setting. Finally, I obtained information from the Columbia Legal Services about mobile home legislature and park information for the area, which set the basis for my case study, which was the mobile home situation in Walla Walla.

It was through this case study that I conducted my interview with a tenant at the Kings Mobile Manor, as well as several conversations with residents at Sterlings Mobile Home Park. The interview at Kings was conducted in Spanish via a translator, Lazaro Carrion. I found my interviewee by going door-to-door in the park, and he happened to be outside and available for a couple minutes. For this interview I recorded what was said, and it was later translated by Lazaro Carrion into the form that is included in this paper. The tenant has asked that identity be left out of the report, for fear of retaliation by the park owner for speaking to us. The conversations at Sterlings were very brief and were conducted in English. The process for finding interviewees was identical, but no one was able to give more than a minute or two commentary, thus a complete transcript has not been included. A thorough discussion of the findings of this case study will be explored in a later section.

Data

Based upon a search of the MLS databases at Coldwell Banker¹⁹ and Windemere Real Estate²⁰, below is a chart and graph showing the current availability of houses in Walla Walla, current as of 11/3/05.

<u>Housing Cost</u>	<u>Quantity</u>
Under \$50,000	3
\$50-100,000	27
\$100-150,000	36
\$150-200,000	38
\$200-250,000	26
\$250-300,000	14
\$350,000+	38



18 Mortgage Tools: Affordability. n.d. Century 21. 10 Oct. 2005.

<<http://www.netmovein.com/info/landscape?jpid=MortgageTools2>>.

19 Walla Walla, WA Real Estate Homes Properties and Lots. n.d. Coldwell Banker First Realtors. 3 Nov. 2005.

<http://www.wallawallaidx.com/index.asp?site_id=217>.

20 Windemere Real Estate. n.d. Windemere Real Estate. 3 Nov. 2005.

<<http://www.windemere.com/index.cfm?fuseaction=listing.searchPropertyMapv2>>.

This chart shows that currently within Walla Walla, the price range which has the highest concentration is between \$100-200,000. With fewer houses available in the lower price ranges, one could clearly conclude that competition for said houses, if an equivalent number of potential buyers were interested, would be greater than the brackets with more available houses.

Next, using the Century 21 calculator mentioned above, maximum price that could be afforded for various income brackets has been calculated. All interests have been held constant (at 5%, which is currently below market, but the interest rate only factors into monthly payment). Additionally, all buyers are assumed to have no monthly debts. This means no car payments, credit card bills, or other recurring payments, which is obviously an overly ideal and unrealistic assumption. Then, based upon what percentage of annual income could be available for the down payment, loans were calculated.

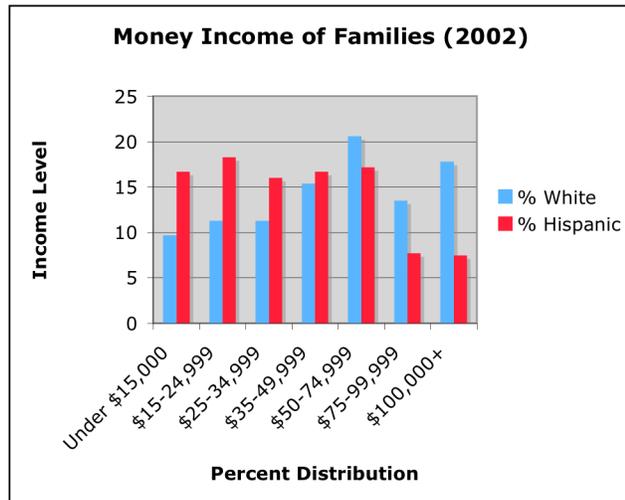
<u>Family Income</u>	<u>% Available</u>	<u>Max. Loan Amount</u>	<u>Monthly Payment</u>	<u>Max. House Afford</u>
\$10,000	5%	\$8,818	\$47	\$9,091
\$10,000	10%	\$17,636	\$95	\$18,182
\$10,000	25%	\$40,749	\$219	\$42,194
\$20,000	5%	\$1,736	\$95	\$18,182
\$20,000	10%	\$35,273	\$189	\$36,364
\$20,000	25%	\$81,499	\$438	\$84,389
\$30,000	5%	\$26,455	\$142	\$27,273
\$30,000	10%	\$52,909	\$284	\$54,545
\$30,000	25%	\$122,248	\$656	\$126,583
\$42,500	5%	\$37,477	\$201	\$38,636
\$42,500	10%	\$74,995	\$402	\$77,273
\$42,500	25%	\$173,185	\$930	\$179,327
\$62,500	5%	\$55,114	\$296	\$56,818
\$62,500	10%	\$110,227	\$592	\$113,636
\$62,500	25%	\$254,683	\$1,367	\$263,715
\$87,500	5%	\$77,159	\$414	\$79,546
\$87,500	10%	\$154,318	\$828	\$159,318
\$87,500	25%	\$356,557	\$1,914	\$369,202
\$100,000	5%	\$88,182	\$473	\$90,909
\$100,000	10%	\$176,364	\$947	\$181,818
\$100,000	25%	\$407,493	\$2,188	\$421,945

Remember, once again, that these are above ideal conditions, since the majority of families would have some sort of debt, and would probably not be able to get the maximum which the bank is calculating. Keeping in mind that the majority of houses in Walla Walla fall between \$100-200,000 and that there are very few houses under \$50,000 many income brackets, even under ideal conditions, would not be able to afford a house in Walla Walla. This can lead to several different options: renting, saving for a longer time, purchasing a mobile home, etc. These options will be discussed with the implications of this chart in a later section.

To continue this line of thought to its conclusion, here is the U.S. Census Bureau data of the "Money Income of Families" for 2002²¹, compared between white and Latino. The data is in percent distribution.

21 United States. Census Bureau. Statistical Abstract of the United States. N.p.: U.S. Census Bureau, 2004-05 (Chart No. 670).

<u>Family Income</u>	<u>% White</u>	<u>% Hispanic</u>
Under \$15,000	9.7	16.7
\$15-24,999	11.3	18.3
\$25-34,999	11.3	16
\$35-49,999	15.4	16.7
\$50-74,999	20.6	17.2
\$75-99,999	13.5	7.7
\$100,000+	17.8	7.5



Evident in this data is that Latinos across the U.S. are more likely to fall in the lower economic brackets than whites. This means that more Latino families are going to be unable to afford the houses within Walla Walla, and will be relatively more excluded from homeownership chances.

Furthermore, in order to assess the educational opportunities available to home buyers, I went to the website of every real estate agency in the city of Walla Walla to see what kinds of services they offered²². The basic goal of such a survey was to figure out, if I was a prospective home buyer, what information is readily available to me, without actually contacting a realtor. I looked for basic information or descriptions of the process, special help for first time buyers, financial services (such as the loan calculator at Century 21), and whether or not a Spanish language version of the information existed.

<u>Realtor</u>	<u>Basic Info</u>	<u>First Time Buyer</u>	<u>Financing Help</u>	<u>Spanish</u>
Century 21	Yes	Yes	Yes	No
Christy's Realty	No	No	No	No
Coldwell Banker	Yes	Yes	Yes	No
Hepler-Jackson Realty	No	No	No	No
Linscott, Wylie & Blize, Inc.	Yes	Yes	Yes	No
Lloyd's Real Estate	No	No	No	No
Paradise Real Estate	No	No	No	No
Peterson Properties	No	No	No	No
Windemere Real Estate	Yes	Yes	Yes	No

While this does not actually assess the knowledge of the process within the Latino community (such information would be useful, but a large scale survey was impractical given time constraints), it sheds some light on the way in which Latinos could educate themselves prior to going to a realtor.

Case Study: Mobile Home Ownership

Mobile homes are a considerable option when determining housing. Given that one of the major benefits of owning a home is that it is an asset, whereas renting is a one-way payment which will not be returned in any measure, mobile homes are an appealing middle ground. Statewide, mobile homes make up 10.2% of all homes owned, and 4.6% of all homes rented²³.

²² Website listings in Appendix E

²³ American Factfinder. n.d. U.S. Census Bureau. 20 Sept. 2005.

According to listed capacities of the 12 existing parks in Walla Walla and College Place, as many as 967 families may be living in mobile home parks. Unfortunately, though data on total population of mobile homes is available, this data is unsorted by demographics, which does not allow specific commentary on the precise ways in which mobile home conditions affect Latinos with respect to other races. However, due to the fact that mobile homes are cheaper than traditional homes (according to the Census Bureau, the average sales price for a brand new mobile home unit in 2003 was \$54,900²⁴ with older homes fetching a much smaller price typically) filling somewhat the gap in the housing market for those unable to afford a \$100,000+ investment. And as was shown earlier, Latinos are disproportionately represented in the income brackets that would be excluded from home ownership. A logical correlation would be that Latinos will be disproportionately represented in alternatives to home ownership, such as mobile homes. The typical arrangement for someone living in a mobile home is to be the actual owner of the home itself but to be renting the land on which the home is resting (hence the business of mobile home parks).

This case study primarily focuses on the problems within landlord tenant relations which have arisen due to lax enforcement of the Manufactured/Mobile Home Landlord Tenant Act, which outlines the rights and responsibilities of both landlords and tenants. According to a flier distributed by the Office of Manufactured Housing²⁵ these rights of tenants include a “written one year lease, privacy, sell home within a community, freedom of choice, request landlord to comply with laws, utilities provided by lease and roads maintained” as well as other rights outlined in detail. According to Ben Hooper and Ishbel Dickens of the Columbia Legal Services, who have been researching violations of this act across the state, landlords who violate the act are able to do such because tenants live in fear of eviction and the law is ineffectively enforced. Such infractions include not offering a one year lease, but instead a monthly lease, which allows the landlord to raise the rent more often, since one must merely give a 90 day notice prior to the raise on that month's bill, instead of the single time provided under a yearly lease; some landlords have been reported to be blocking sales of homes within a park, justifying the blockage on the grounds that they would not allow the buyer into the park under normal circumstances, and then months down the road, these landlords make offers to purchase the home at rock-bottom prices from the tenant. While the Manufactured/Mobile Home Landlord Tenant Act has provisions which prevent the eviction of tenants as retaliation for complaining about mistreatment, since the law is not widely understood or enforced, tenants do not feel protected enough to speak out. When I spoke to a tenant in Kings Mobile Manor, he desired that his identity be left out of the report simply because he was complaining about the park owner and the way in which the park tenants had been mistreated and was worried that exposure of his identity could lead to eviction. He articulated this fear, even after we had discussed his rights under the law, which would guarantee his protection from such retaliation. Obviously, this tenant is not putting too much faith in the law to protect them.

At the prompting of groups, such as Columbia Legal Services, the state of Washington passed House Bill 1640 on April 19th of this year²⁶. This bill requires the Office of Manufactured Housing to maintain records of complaints filed against landlords by tenants, and then to use this information to recommend a strengthening or weakening of the Landlord Tenant Act in 2006. However, one of the problems is that no one is being told about the law; not a single

<http://factfinder.census.gov/home/saff/main.html?_lang=en>. (Chart QT-H10)

24 United States. Census Bureau. *Statistical Abstract of the United States*. N.p.: U.S. Census Bureau, 2004-05 (Chart No. 935).

25 See appendix A

26 State of Washington Legislature. State of Washington Legislature. *Engrossed Substitute House Bill 1640*. Olympia, WA: n.p., 19 Apr. 2005.

tenant, out of the five which I spoke to, or the single park manager knew that they could file a complaint with the government. Additionally, even if tenants did know about this law, the process of filing a complaint makes it very difficult to do. One must first notify, in writing, the landlord about the problem which they are complaining about. Then, the landlord must be given adequate time to deal with the problem, and if they do not, at that point, the tenant may go online or call an 800 number to receive a form that they can fill out and send into the Office of Manufactured Homes. However, when visiting the Office of Manufactured Housing website²⁷ there is no mention of this new law. It is possible to find the complaint form, but not instructions on how to go about filing a complaint. On the form itself, it says that “your complaint will be investigated when we receive documentation that you have notified the other party in writing of your complaint(s)”²⁸. Is it the landlord's responsibility to notify the government that they have been served notice of a complaint? If so, what is the incentive to do such, when the only way in which you can be investigated is by doing such? Additionally, there is no form in Spanish or any explanation of rights in Spanish on the website. There is a flier which the Office of Manufactured Housing claims to have been distributing, which outlines the new law and gives the procedure for filing complaints, in both English and Spanish²⁹, when I showed the flier to tenants, none had seen one before.

A striking example of the problems facing mobile home tenants is exemplified clearly in a comparison of conditions in two parks (Kings Mobile Manor and Sterlings Mobile Home Park) which are conveniently across the street from one another, giving a visual comparison as well³⁰. Sterlings, which is a very small park, housing only 7 homes, is set up in a neat loop, with the road paved. Walking between the homes, you can tell that it is well cared for; it is clean and there is not a piece of trash in sight. When I went to visit, I stopped first in with the manager, who lives on site. They were unable to talk for very long, since they were busy working on repairs and such. They did tell me that average rent was \$150 per month for the piece of land, and every tenant brought their own park. Walking around the park, I encountered another resident, who I questioned about the conditions in the park. He told me basically, that if I was looking for problems, I had come to the wrong park, and that the landlord “is simply a great person;” the only problem he could remember was a disruptive tenant who was forced to leave. While he had not heard of the new law about filing complaints, he was uninterested in hearing about his rights, stating that it was a very good place to live and that he was very well cared for. The landlord lives in a house across the street and thus is constantly in communication with the tenants, and is readily available. All the tenants encountered were white.

Now, walk across Melrose St. to the other mobile home park in the area. Kings Mobile Manor is a much larger park, housing 58 homes. Immediately, you are struck by how, though there is more land, the homes seem closer together, the roads are unmaintained and full of potholes, and trash is littered all throughout the park. None of the tenants which I spoke with knew about the new law. The tenant which agreed to a quick interview³¹ was unaware of his rights under the law, but didn't feel like he needed to have them explained. He was, however, thrilled that I had brought several copies of the Spanish flier which the Office of Manufactured Housing had made, and suggested that I leave a copy at every house. His opinion of the park were much less than ideal. He claimed that the landlord promised to install speed bumps, street

27 Mobile/Manufactured Housing. n.d. Office of Manufactured Housing. n.d. <http://www.cted.wa.gov/portal/alias__CTED/lang__en/tabID__480/DesktopDefault.aspx?tabID=0&alias=CTED&lang=en>.

28 See Appendix B

29 See Appendix C

30 See Appendix D

31 See Appendix E

lights, and other safety issues, but never got around to it. She had fired the last manager, but had decided not to hire another afterwards. When incidents of crime occur on the property, she tells tenants to simply call the police, that it isn't her problem. The basic theme of the conversation was that of distrust on the part of the tenants, for the landlord had not done anything which made them believe that she cared. In fact, she lives in California and only makes a visit roughly once a year to the premise. This tenant suggested that if she actually did the things that she promised, things would be a lot better, and that if they could have a manager, conditions in the park would improve greatly. Finally, he explained that the rent ranges from \$185-250 for a spot in the park. As with Sterlings, the majority of tenants own their own homes and are simply renting the land. All tenants encountered were Latino and the majority spoke only Spanish.

Clearly, several conclusions can be drawn from this analysis. The first is that tenants are unaware of their rights, and the passage of a law which allows for the filing of complaints without telling tenants about that new right, will obviously skew the amount of actual complaints which are received. Additionally, something beyond economics is definitely going on in this comparison of two parks. Latinos are living in the higher priced, larger, worse conditioned park, while whites live in the cheaper but nicer park with both an on-site manager and landlord. Perhaps this can be explained by the fact that Sterlings is a much smaller park, and thus has fewer vacancies, though it seems like in such a case, there would at least be some Latinos in Sterlings, and some whites in Kings (which there may be, but they were not present, and when speaking to tenants of Kings, they identified the park as primarily Latino). Further conclusions will be drawn in the next section.

Results and Implications

The scholarly debate on the subject of housing discrimination combines with the experience in Walla Walla to create a couple glimpses into the condition of housing in Washington state. The first is that simply put the current conditions in the housing market have stacked the odds against the lower income bracket in terms of being able to afford to buy a house. This is problematic for many reasons. If you are unable to purchase a house, you are forced into a renting experience, which is essentially a capital drain, as instead of accumulating wealth as you pay off loans, you merely pay your monthly rent. Additionally, the fact that Latinos are disproportionately represented in the lower economic brackets is troubling, when studies have shown that there are incredible disparities in terms of loan acceptance rates between minorities and whites³² and that 20.8% of Latinos are lured into overpriced loans, as opposed to 8.7% for whites³³. With an inability to get loans, and typically getting worse prices for loans, Latinos are pushed towards alternative housing options, such as mobile home parks.

The next key issue is that of education. The simple fact that no real estate agent has a Spanish language website for the city of Walla Walla, that the Office of Manufactured Housing does not have a Spanish language form for complaints, and other forms of assistance (for example, the Walla Walla Housing Authority³⁴) do not have a Spanish language site, point to a linguistic disadvantage for Spanish speakers, who even if they speak English may be more comfortable speaking in Spanish. A rather simple step to leveling this dilemma of access to information is to provide more bilingual information in readily available places, such as the internet.

Insofar as language is an issue, one recommendation to address barriers confronted by

32 Squires, Gregory D. "HMDA Disparities or Discrimination." *American Banker* 27 Sept. 2005: 8-8.

33 Anonymous, "Lenders Charge Minorities More For Loans: Federal Study." *Jet* 108.14 3 Oct. 2005: 20-20.

34 Walla Walla Housing Authority. n.d. Walla Walla Housing Authority. 3 Nov. 2005.

<<http://www.wallawallaha.org/>>.

individuals dominant in the Spanish language would be to strengthen civil rights laws and to increase and improve civil enforcement of the laws now in effect. Title VI of the Civil Rights Act of 1964³⁵, the primary federal civil rights statute, prohibits national origin discrimination by recipients of federal funding. Title VI has been interpreted by courts to impose an affirmative obligation on federal money recipients to ensure meaningful access to persons with limited English proficiency. In many circumstances, this law may require documents, including web site postings, to be translated into Spanish, and for Spanish interpreters to be provided. Title VI has traditionally been underutilized and under-enforced. Greater civil enforcement by the Department of Justice's office of Civil Rights Enforcement and outreach to covered organizations that provide housing services to explain obligations to provide language access to Spanish speakers could help to combat the language barrier.

Additionally, there is a law working at the state level which has similar applicability as the Civil Rights Act. The Washington Law Against Discrimination (WLAD)³⁶ prohibits discrimination in real estate practices on the basis of national origin. Furthermore, this has been taken by Washington courts to mean that WLAD prohibits neutral practices which may have a discriminatory effect. This could include failure to provide translators or bilingual materials to consumers. By granting greater resources to the Human Rights Commission, which enforces WLAD, the legislature would be strengthening a law that protects the rights of those who traditionally are marginalized on the basis of language.

Furthermore, disregarding the possibility of institutional steering, which I did not study, the case study of the mobile home parks and their segregation implies that housing decisions are not simply economic questions. There must be something else acting on the buyer which is forcing Latinos into substandard communities. This could be a self-steering mechanism, desiring to live with members of one's own racial community, but it could also be a educational deficit or inability to gain access to other options. This feeling of being outside the system is likely to cause an identity to form in which distrust of the system develops and pessimistic complacency may take over. Additionally, if you have seen that you really have no options, the risk of being evicted from your current place becomes more important. It is due to reasons such as this that a further study into the motivations behind community choice must be undertaken, to develop the rationale with which minorities tend to live in substandard housing. It is understanding the motivation that can best get us to the heart of the issue.

Additionally, laws like the Mobile Home Landlord Tenant Act should be strengthened to protect the rights of individuals to obtain fair and reasonable housing. Complaints recorded via House Bill 1640 should be seen as the conclusive, sufficient test of mobile home park problems. Due to the pervasive lack of knowledge about one's rights or of the complaint process within parks in Walla Walla, I have reason to believe that park problems go underreported. This should be taken into account when analyzing the results of House Bill 1640, and should influence the strengthening of the Mobile Home Landlord Tenant Act.

Moreover, more research about the present conditions of mobile home parks and the ways in which conditions vary by race must be conducted. The simple lack of literature on the subject, as well as the lack of sufficient sources of demographic data make the analysis of conditions very difficult. Further studies could increase awareness of problems within the mobile housing and could shed light on ways in which they could be solved.

35 Civil Rights Act. Pub. L. PL-88 352. 2 July 1964.

36 Washington Law Against Discrimination. Pub. L. RCW 49.60. 1 July 1995

Finally, governmental data, which is the primary source of information about the subject, must be more inclusive. HMDA data must include regions which are not centered around areas with 50,000 people, otherwise all rural and smaller city data is lumped together in an unintelligible mix, which makes it impossible to analyze conditions in a given, lesser populated area. This data also needs to include data about the loan applicant other than simply their race and income, for if the industry can justify the discrepancy as economically viable, there is no reason not to include information such as credit history, size of loan, and other risk factors. This would merely allow analysts to actually interpret the conditions surrounding the current disparity in loan acceptance. When an institution is collecting data to aide “in determining whether financial institutions are serving the housing needs of their communities”³⁷ and a specific community is being excluded from the home buying process a disproportionate amount, such information becomes a responsibility.

The studies which have been highlighted earlier in this piece shed some light on the problem, but the frustration with data and the sheer lack of study have limited these authors to merely postulating possible causes and interpretations that might occur if more systematic data was available. That said, one of the best ways to change what is occurring is to continue to read and write studies and interpretations.

37 Background and Purpose of HMDA. n.d. Federal Financial Institutions Examination Council. 3 Nov. 2005. <<http://www.ffiec.gov/hmda/history.htm>>.