

Homelessness in Washington State

Drivers of the increase, and what works to
leave no person left living outside

Tedd Kelleher

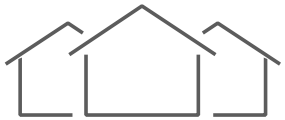
SENIOR MANAGING DIRECTOR, HOUSING ASSISTANCE

DECEMBER 2019

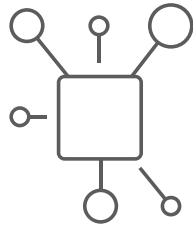


Washington State
Department of
Commerce

We strengthen communities



**HOUSING
HOMELESSNESS**



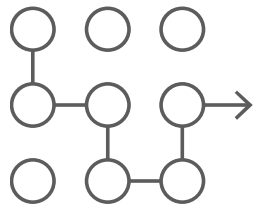
INFRASTRUCTURE



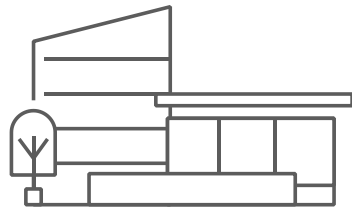
**BUSINESS
ASSISTANCE**



ENERGY



PLANNING



COMMUNITY FACILITIES



**CRIME VICTIMS
SAFETY**



**COMMUNITY
SERVICE**

Commerce provides a publicly available accounting of where the money for homelessness goes

Project-level reporting for all projects receiving any public homeless funds (federal, state, county, city)

Information available includes:

Spending from all funding sources (including all public and private spending), bed/slots, numbers served, average length of time in project, exit destinations, % of people returning to homelessness, etc.

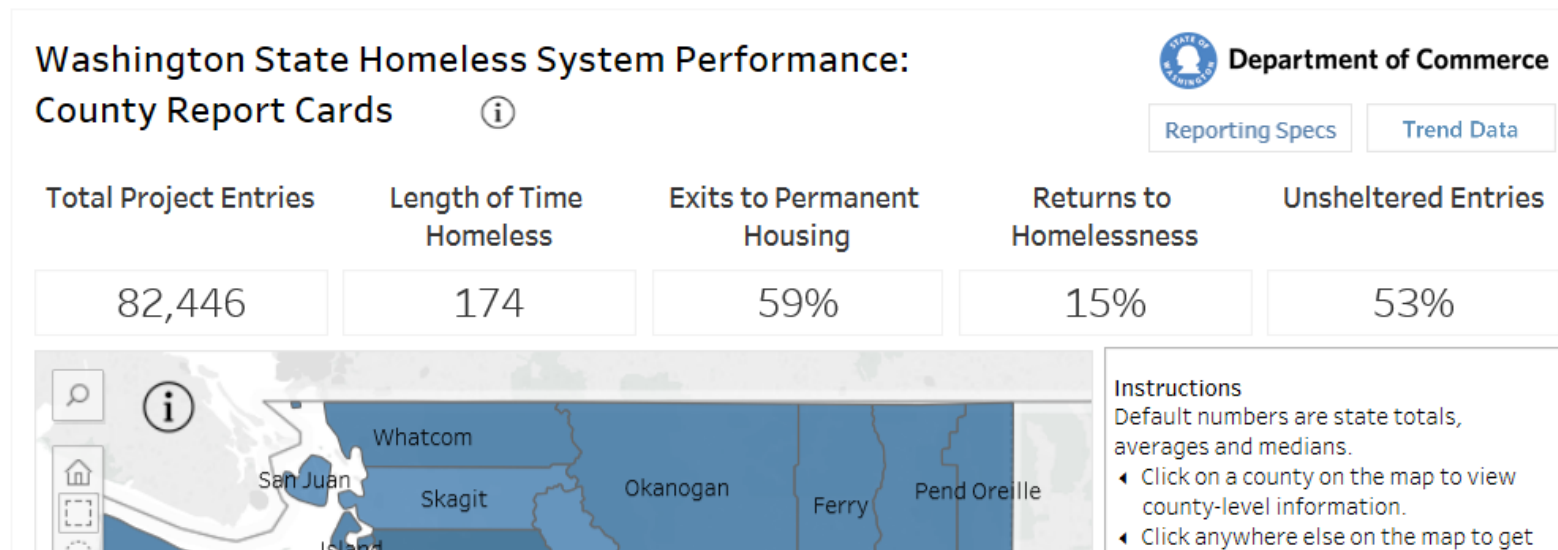
Spending data reported by counties, client data from HMIS. First completed in 2014, updated annually, legislatively required starting in 2018

<https://deptofcommerce.box.com/s/bjocxz2stmw5f0wigkbi5dw97r2bhth5>

Project Name	Veteran Households with adults and children	Veteran Households without children 18-24	Veteran Households without children 25+	Veteran Households without children age category unknown	Veteran Households Unknown Household Type	Total Operating Cost in Calendar Year	Cost per Day per Household	Cost of all Successful Exits	Cost Per Successfully exited Household	Exited HH Total Days	Cost of all Exits	Cost per Exited HH	Cost per Exit to Permanent Housing
BCAESG RRH - Benton	1		1			\$ 66,199	\$ 10	\$ 54,204	\$ 1,643	9201	\$ 87,451	\$ 1,166	\$ 2,006
BCAESG HP - Benton	2	0	0	0	0	\$ 82,616	\$ 21	\$ 58,895	\$ 1,900	4019	\$ 85,886	\$ 1,909	\$ 2,665
BHSEmergency Housing Assistance C	4		3			\$ 182,831	\$ 119	\$ 103,814	\$ 3,460	1224	\$ 145,221	\$ 3,300	\$ 6,094
DVSShelter 2163	0	0	0	0	0	\$ 128,072	\$ 59	\$ 38,829	\$ 1,339	2148	\$ 126,949	\$ 1,567	\$ 4,416
BCABenton 2163 - Prevention/Rent H	0	0	0	0	0	\$ 64,183	\$ 19	\$ 45,781	\$ 1,990	3325	\$ 61,929	\$ 1,998	\$ 2,791
BCACDBG HP - Benton	0	0	0	0	0	\$ 24,415	\$ 15	\$ 19,830	\$ 862	1436	\$ 21,803	\$ 908	\$ 1,062

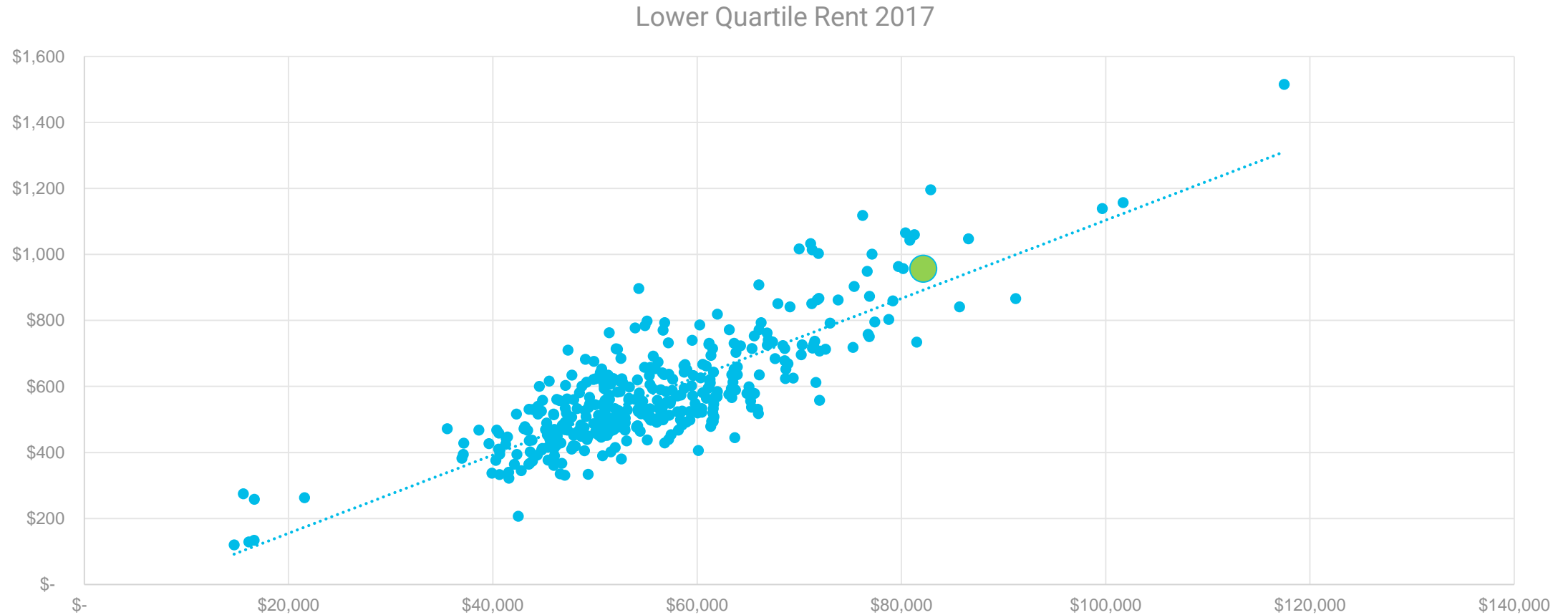
Commerce provides a publicly available accounting of where money for homelessness goes

State/county report card – Performance of homeless crisis response system – All projects, all funding sources. Used in state contracts; provide transparency to public/policy makers (completed 2016, updated annually)



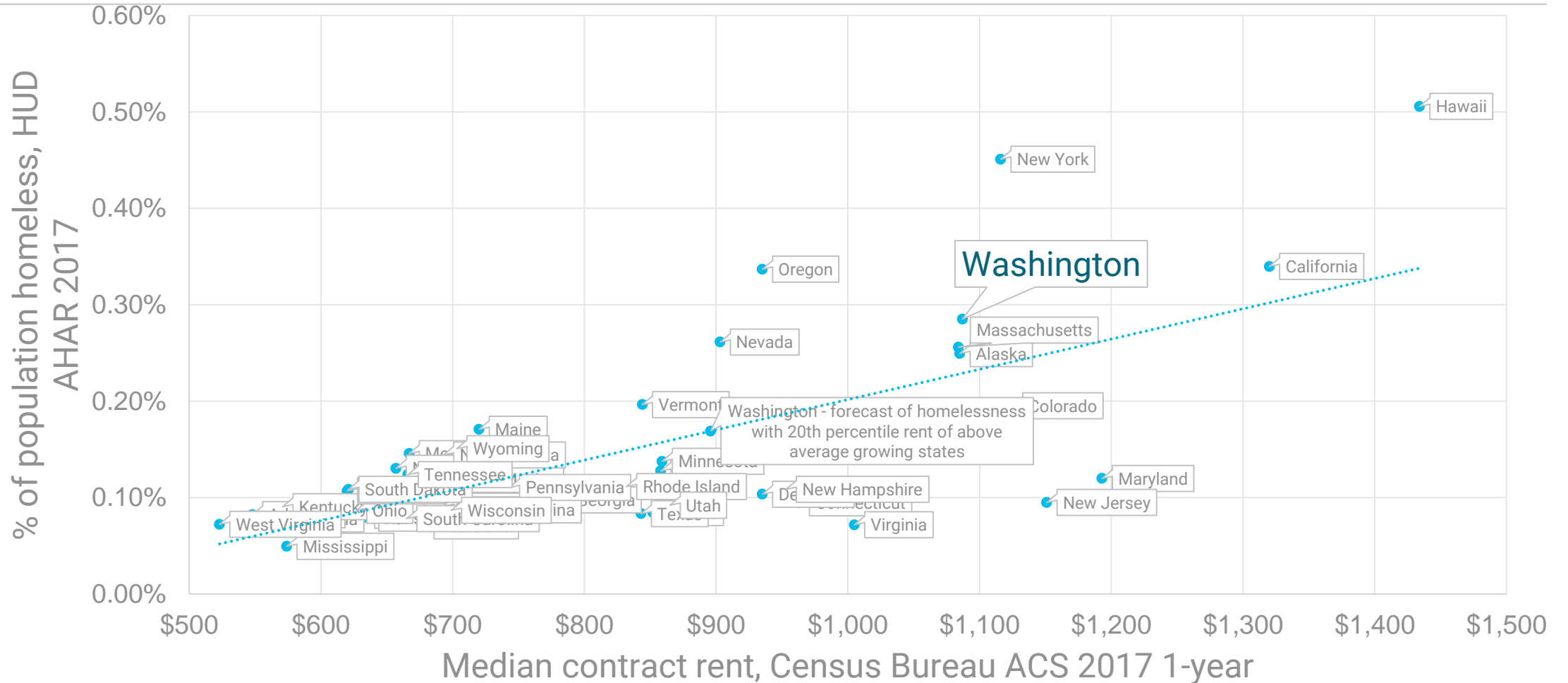
<https://public.tableau.com/profile/comhau#!/vizhome/WashingtonStateHomelessSystemPerformanceCountyReportCardsSFY2018/ReportCard>

Lower quartile rents strongly associated with median incomes – 0.83 correlation all MSAs



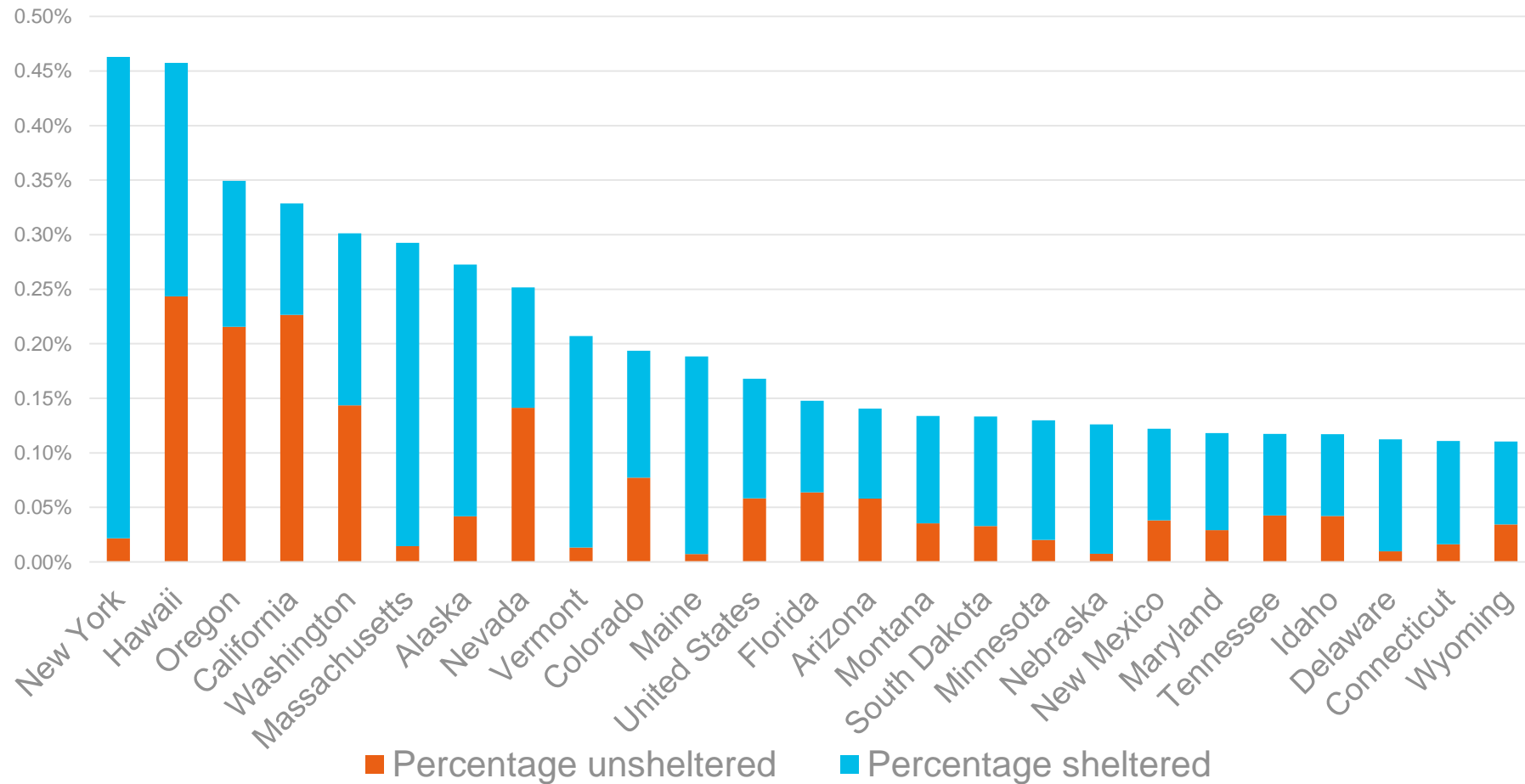
Source: American Community Survey 1-Year Estimates, 2017

Rents vs. homelessness – 0.7 correlation



Large differences in sheltered vs. unsheltered between states

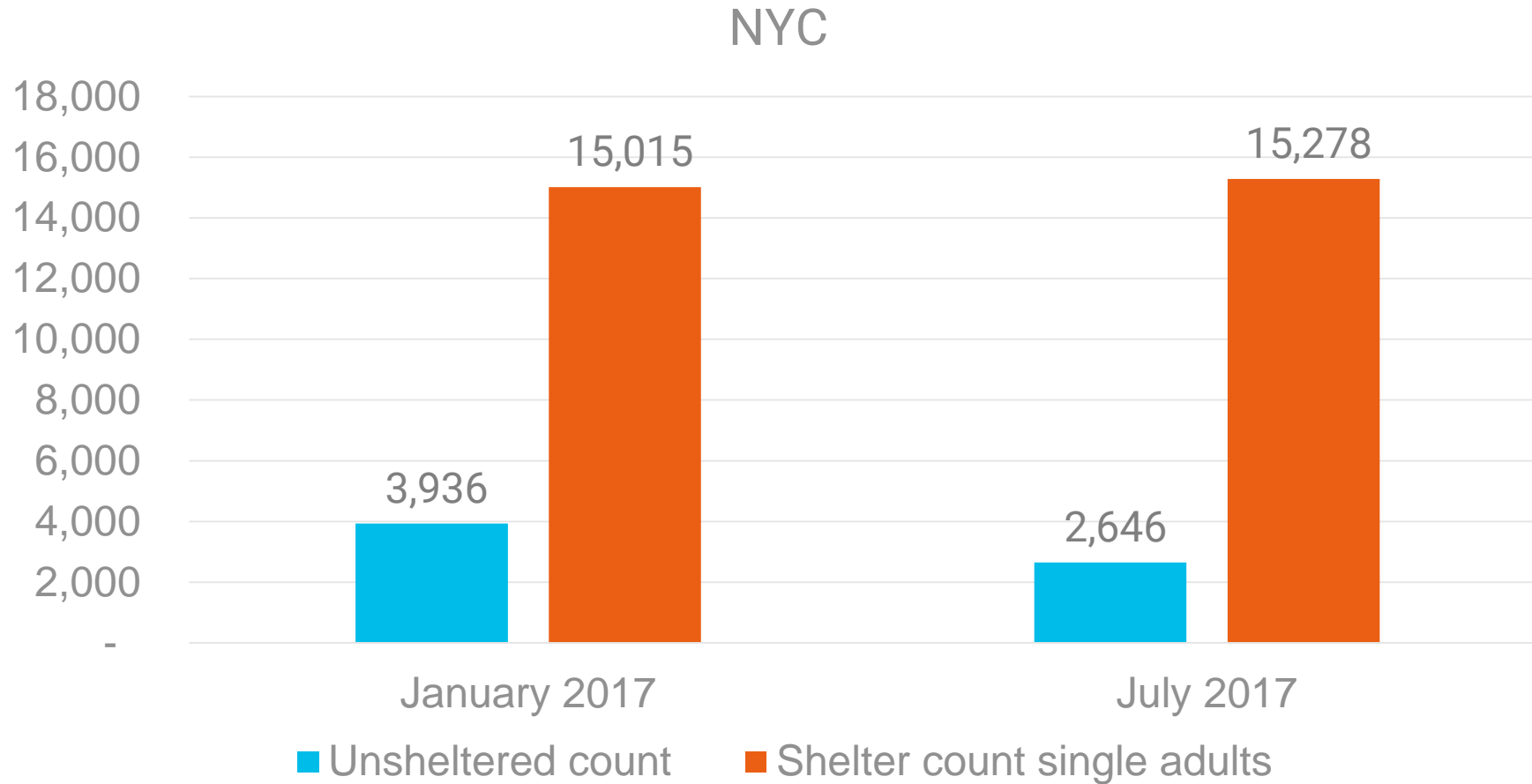
% of Population Experiencing Homelessness Ranked



Large differences in sheltered vs. unsheltered between places

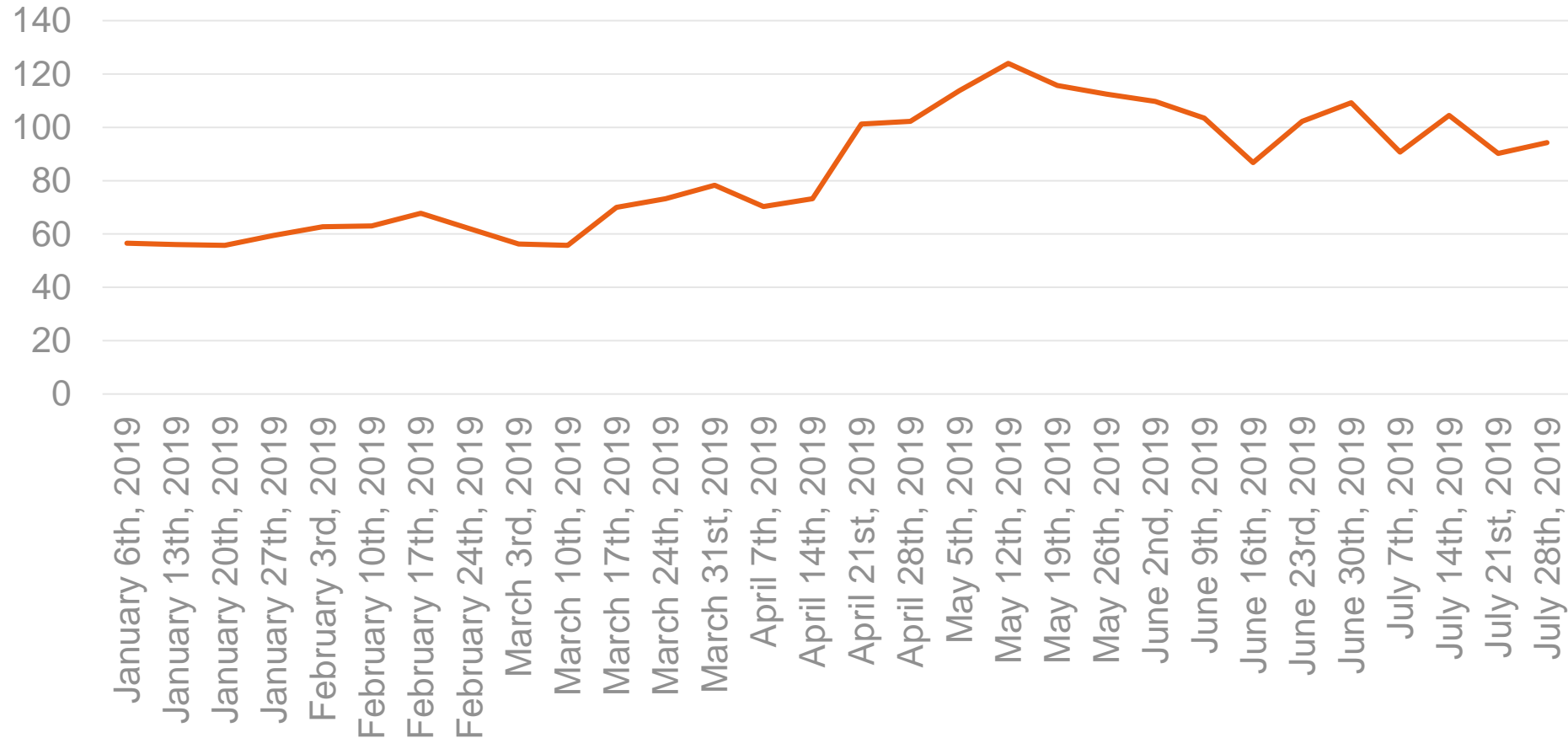
	% unsheltered	vs. King County	Unsheltered	Population
King County	0.24%		5,288	2,189,000
London	0.02%	-91%	3,103	14,187,146
Vancouver	0.03%	-88%	659	2,197,900
Dublin	0.01%	-96%	128	1,345,402
Sydney	0.01%	-97%	373	4,627,000
New York	0.04%	-82%	3,675	8,623,000
Minneapolis	0.06%	-77%	709	1,252,000
Montreal	0.02%	-93%	678	4,098,927

Seasonal difference in homelessness Winter to Summer in New York City



Seasonal difference in homelessness Winter to Summer in New York City

New York City Home-Stat counts of unsheltered persons - Four week running average



Everyone has to be somewhere

- Outside
- Sanctioned tent
- Non-code structure
- Shelter
- Rental
- Owned home
- Treatment facility
- Hospital
- Jail/prison
- A different city
- Etc.

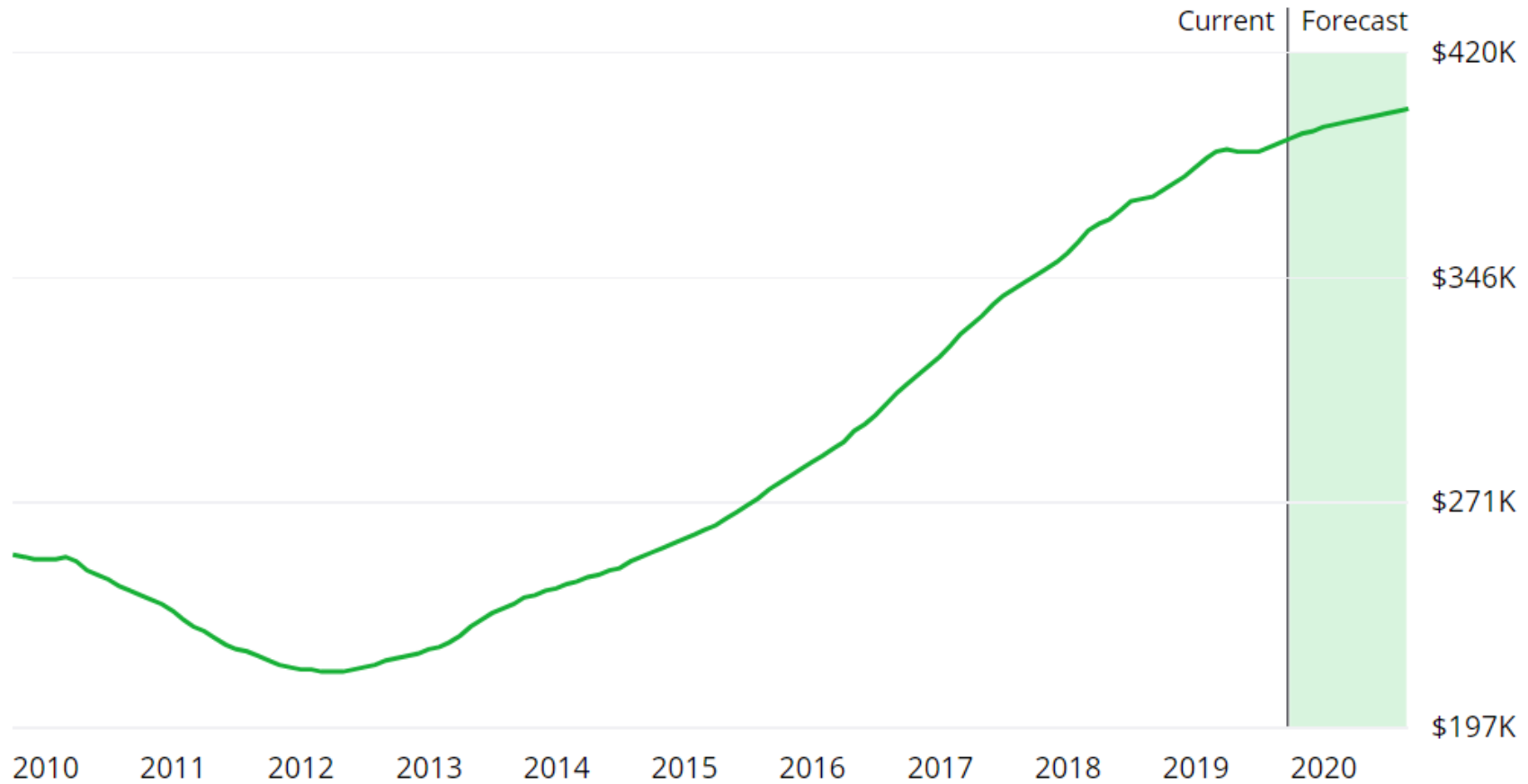
Why has homelessness increased?

It's the rent – people/families in WA are above average and getting better

- Homelessness has increased primarily because rents increased
- Rents increased to match rising median incomes, and housing supply did not keep pace with demand
- **Other drivers or “causes” of homelessness do not appear to be meaningful drivers of the increase**
- Washington is already a high performer in the areas of
 - job pay, work participation, family composition/stability, lower alcohol and drug dependence, housing outcomes

Housing Prices in Washington

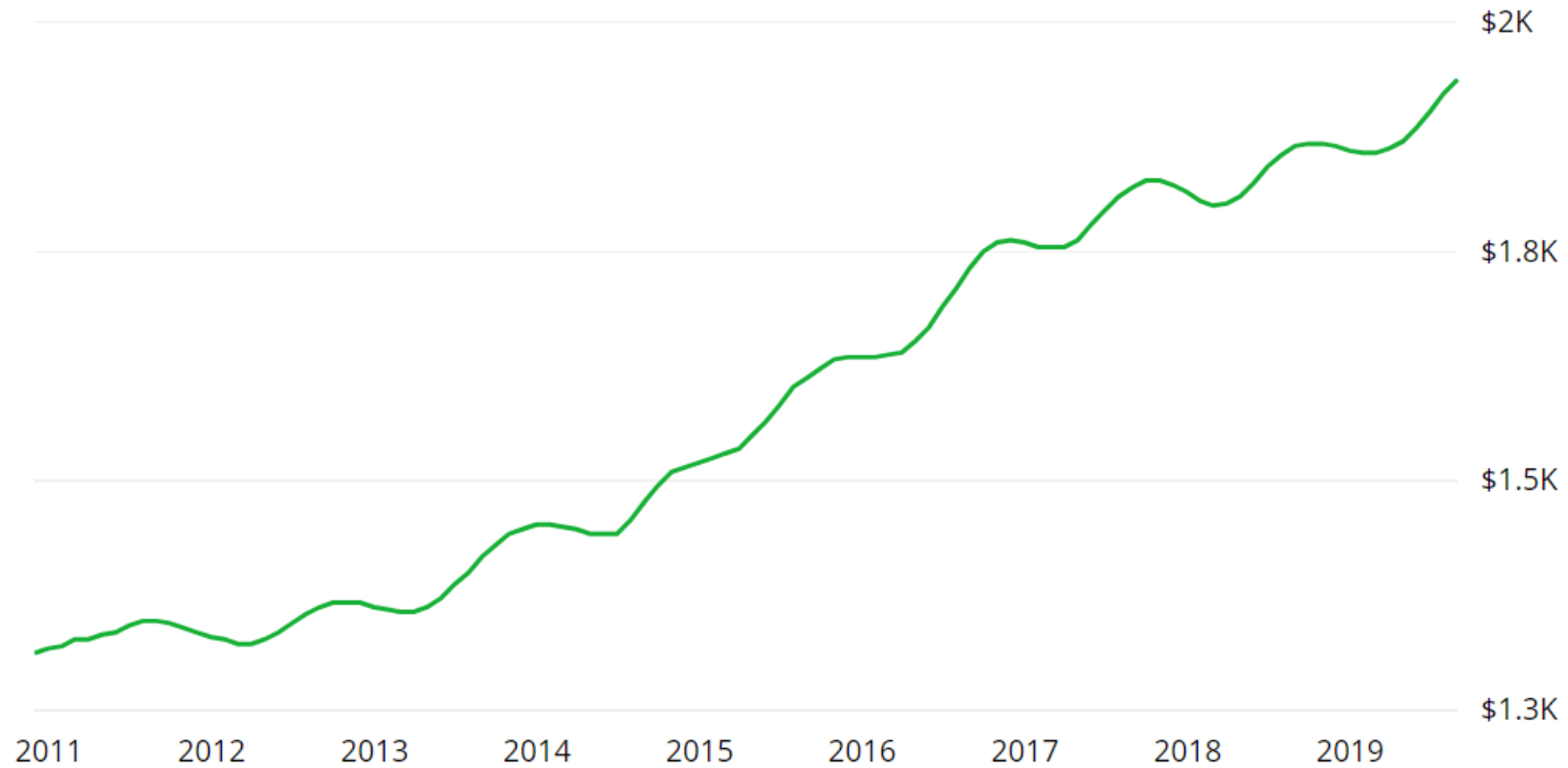
Aug 2020 — Washington \$402K



Source: <http://www.zillow.com/home-values/>

Rents in Washington

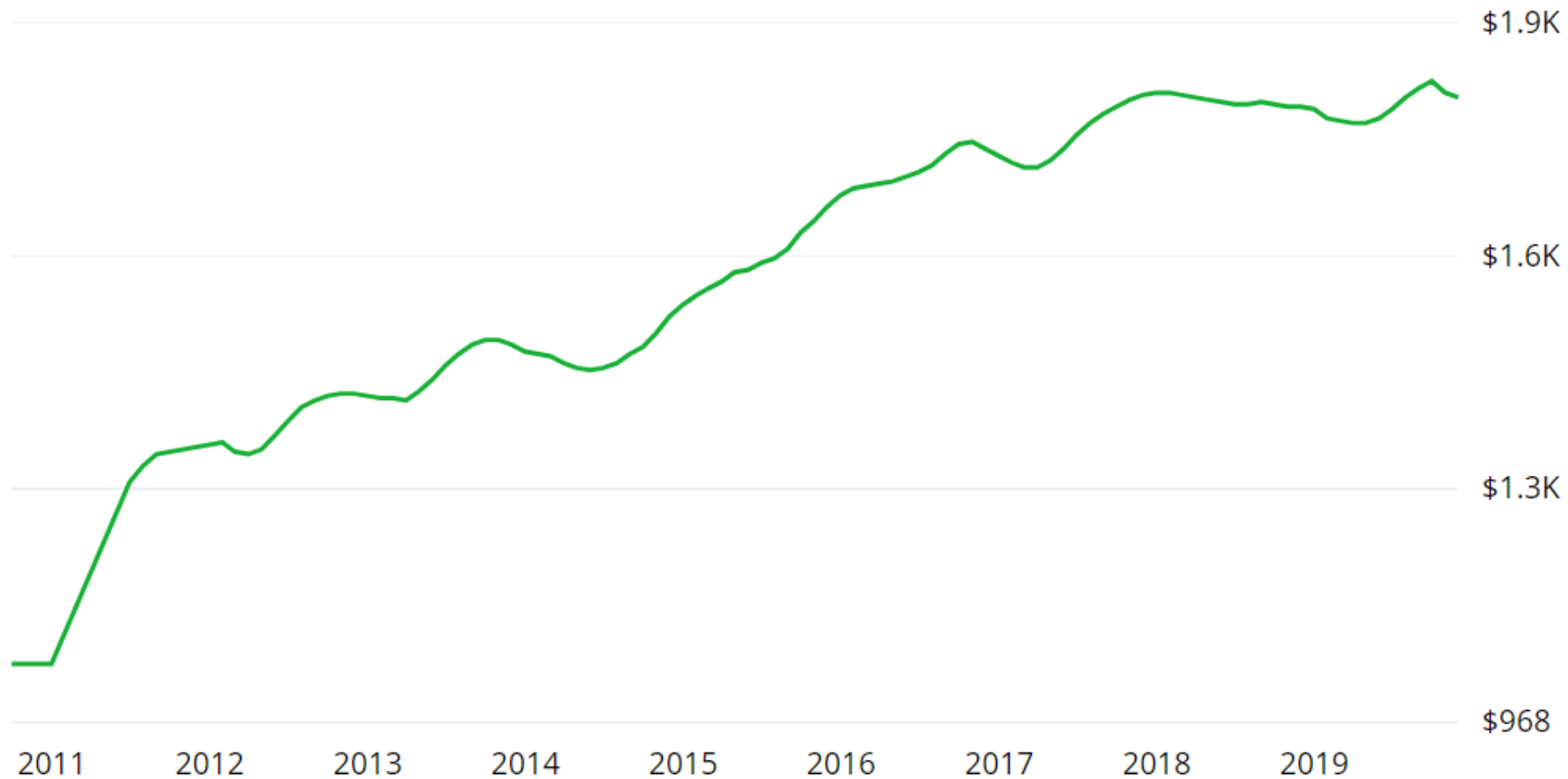
Aug 2019 — Washington \$1,983/mo



Source: <http://www.zillow.com/home-values/>

Rents in Clark County

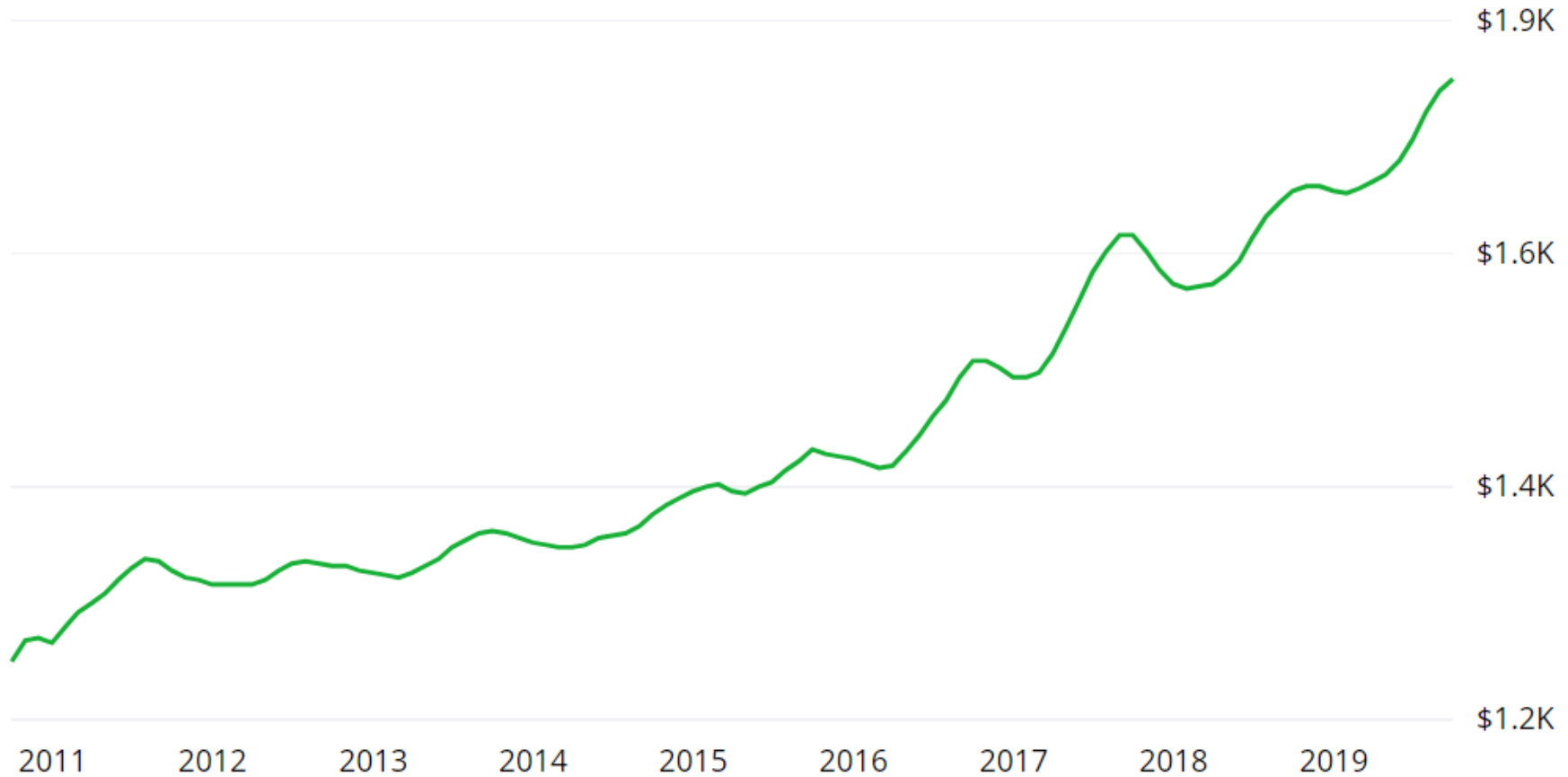
Nov 2019 — Clark County \$1,859/mo



Source: <http://www.zillow.com/home-values/>

Rents in Thurston County

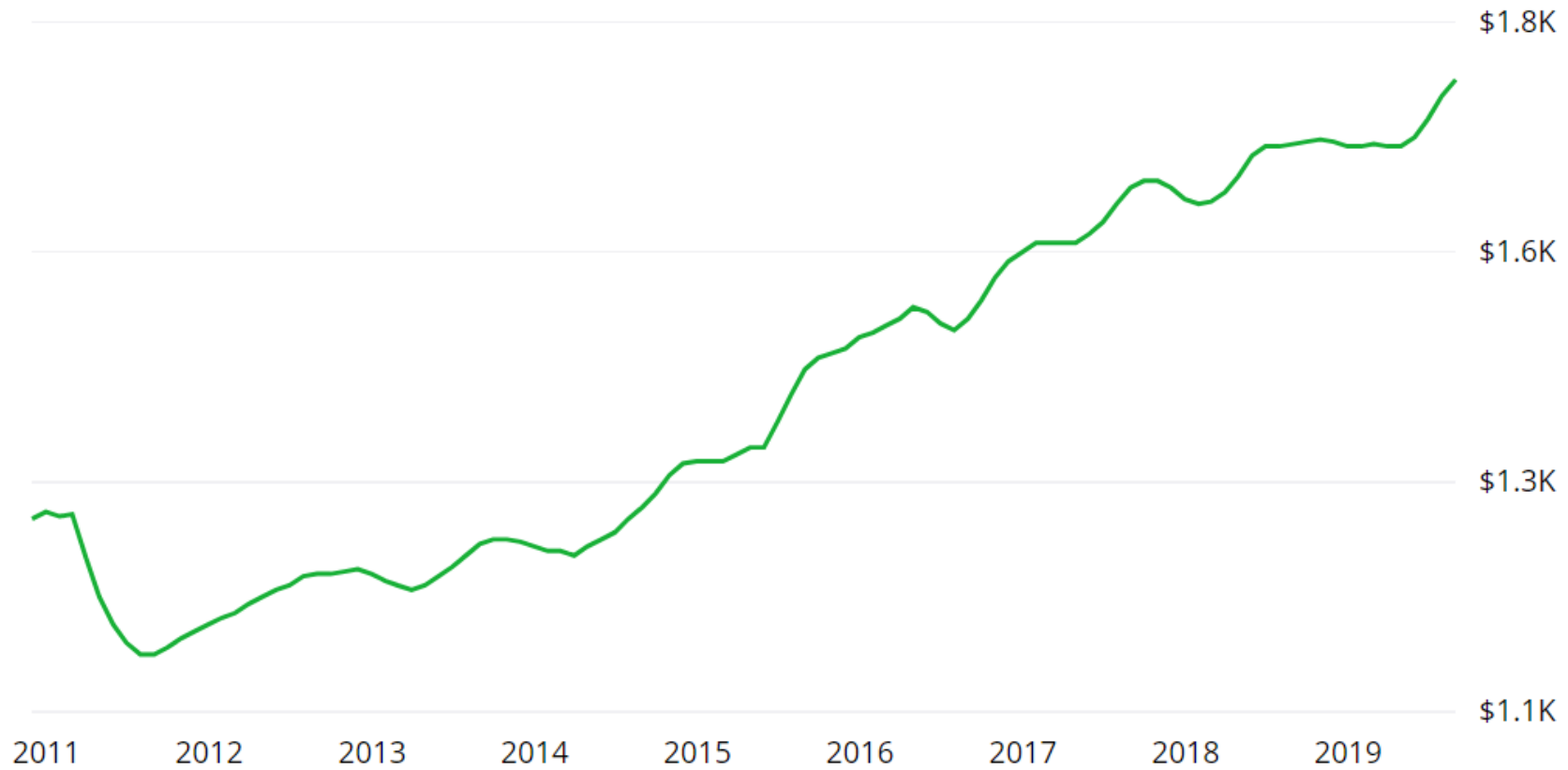
Sep 2019 — Thurston County \$1,852/mo



Source: <http://www.zillow.com/home-values/>

Rents in Skagit County

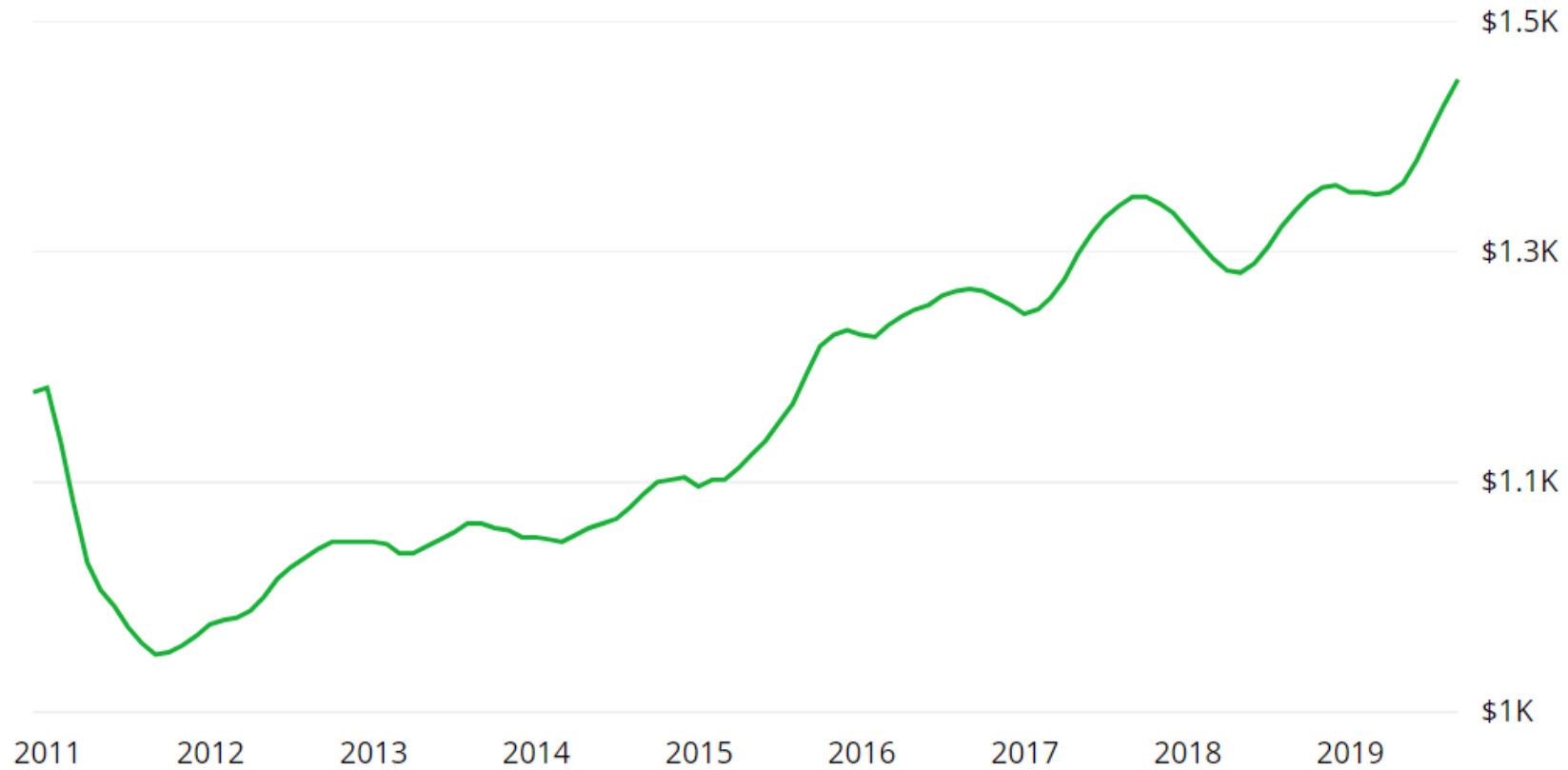
Aug 2019 — Skagit County \$1,824/mo



Source: <http://www.zillow.com/home-values/>

Rents in Spokane County

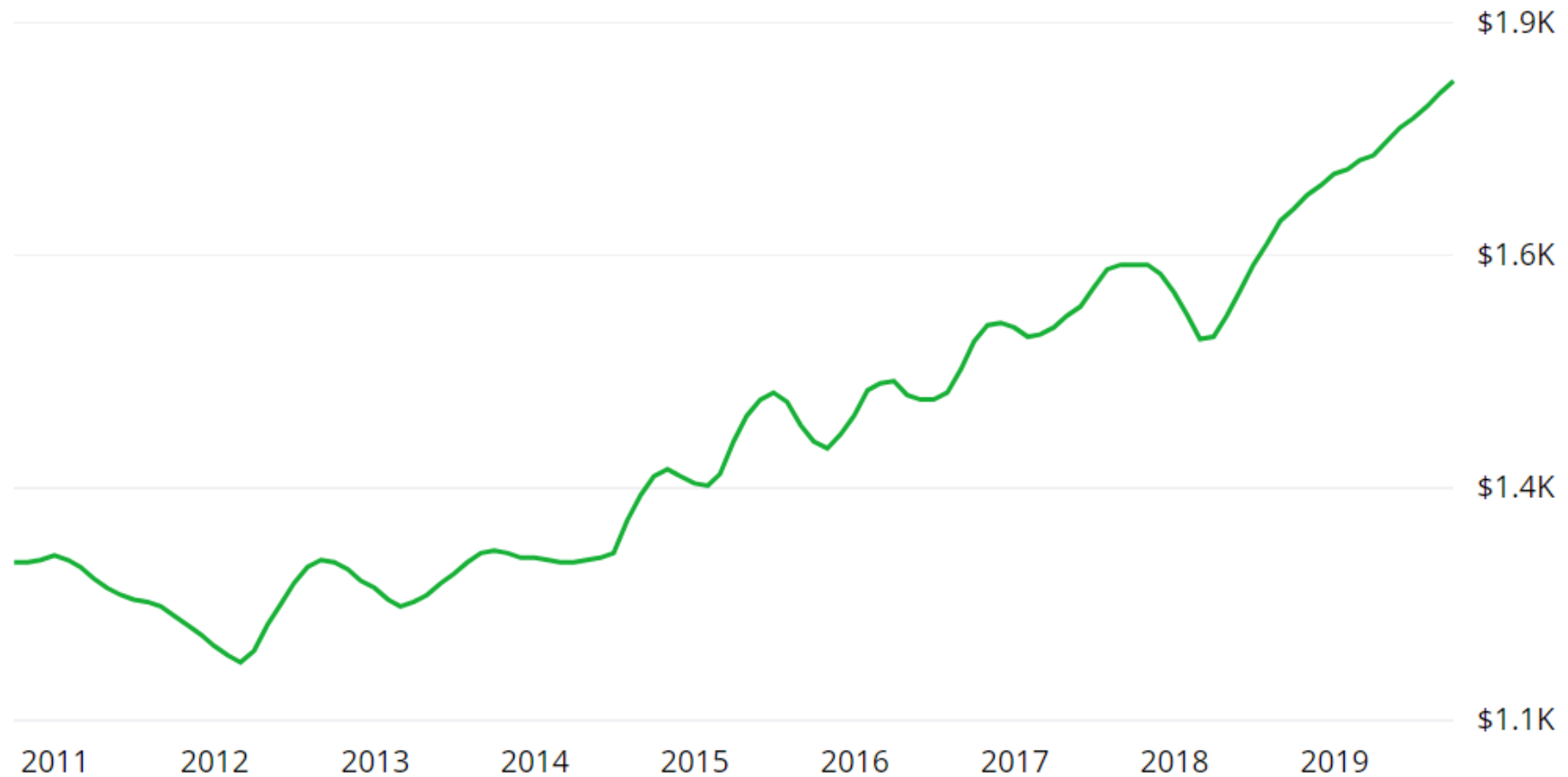
Aug 2019 — Spokane County \$1,471/mo



Source: <http://www.zillow.com/home-values/>

Rents in Whatcom County

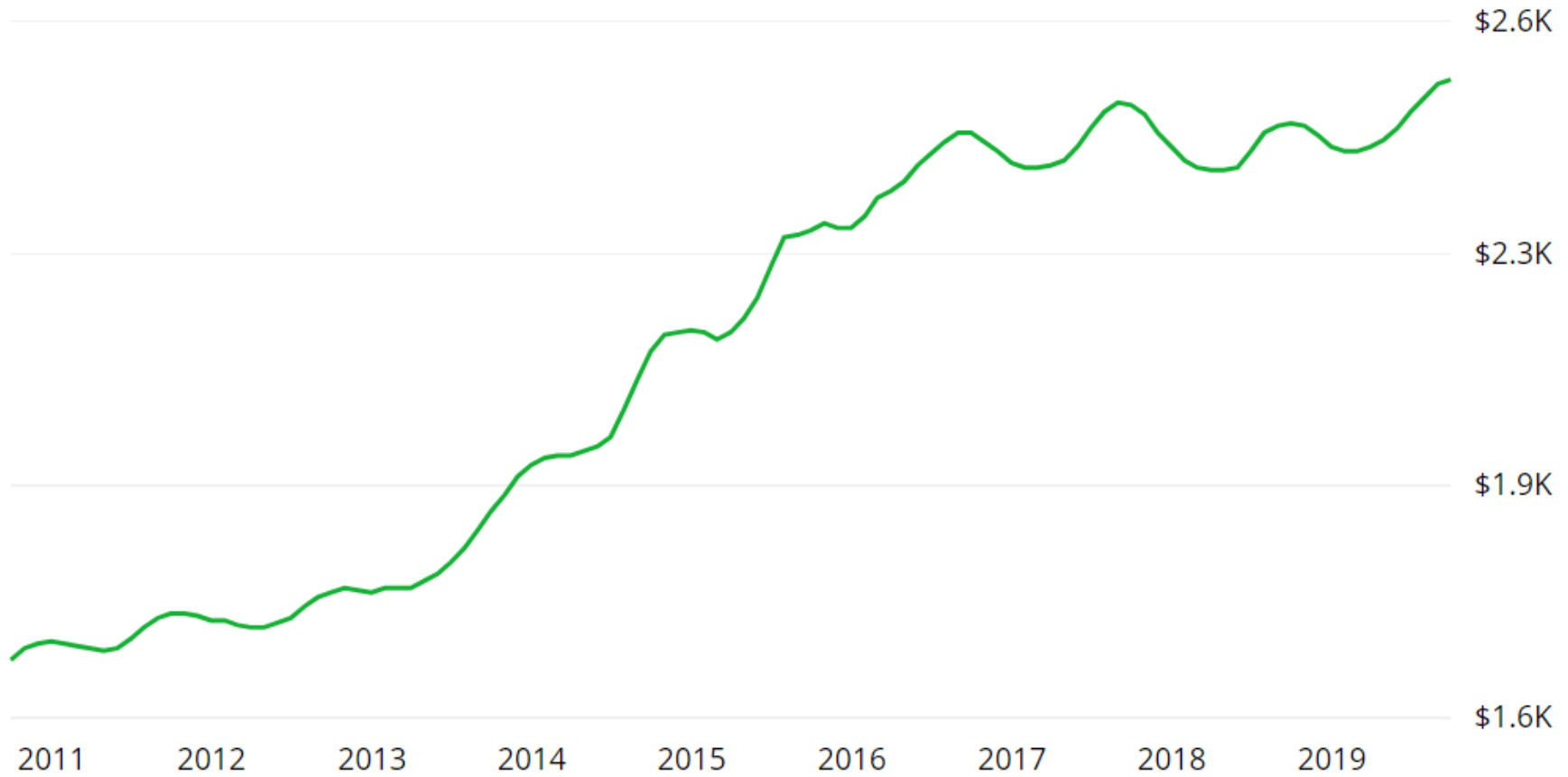
Sep 2019 — Whatcom County \$1,849/mo



Source: <http://www.zillow.com/home-values/>

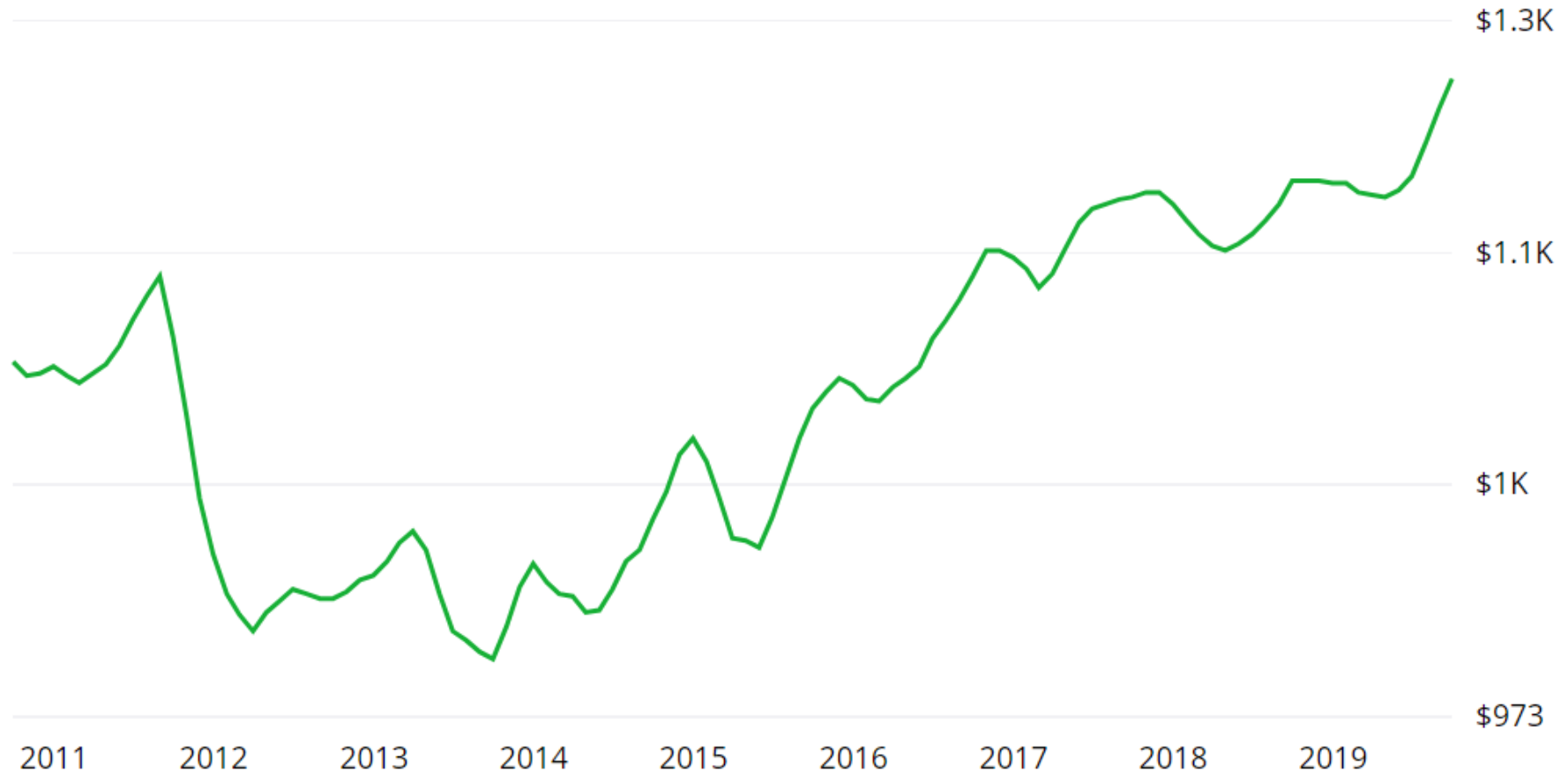
Rents in King County

Sep 2019 — King County \$2,556/mo



Rents in Yakima County

Sep 2019 — Yakima County \$1,283/mo



Source: <http://www.zillow.com/home-values/>

Rents in Walla Walla County

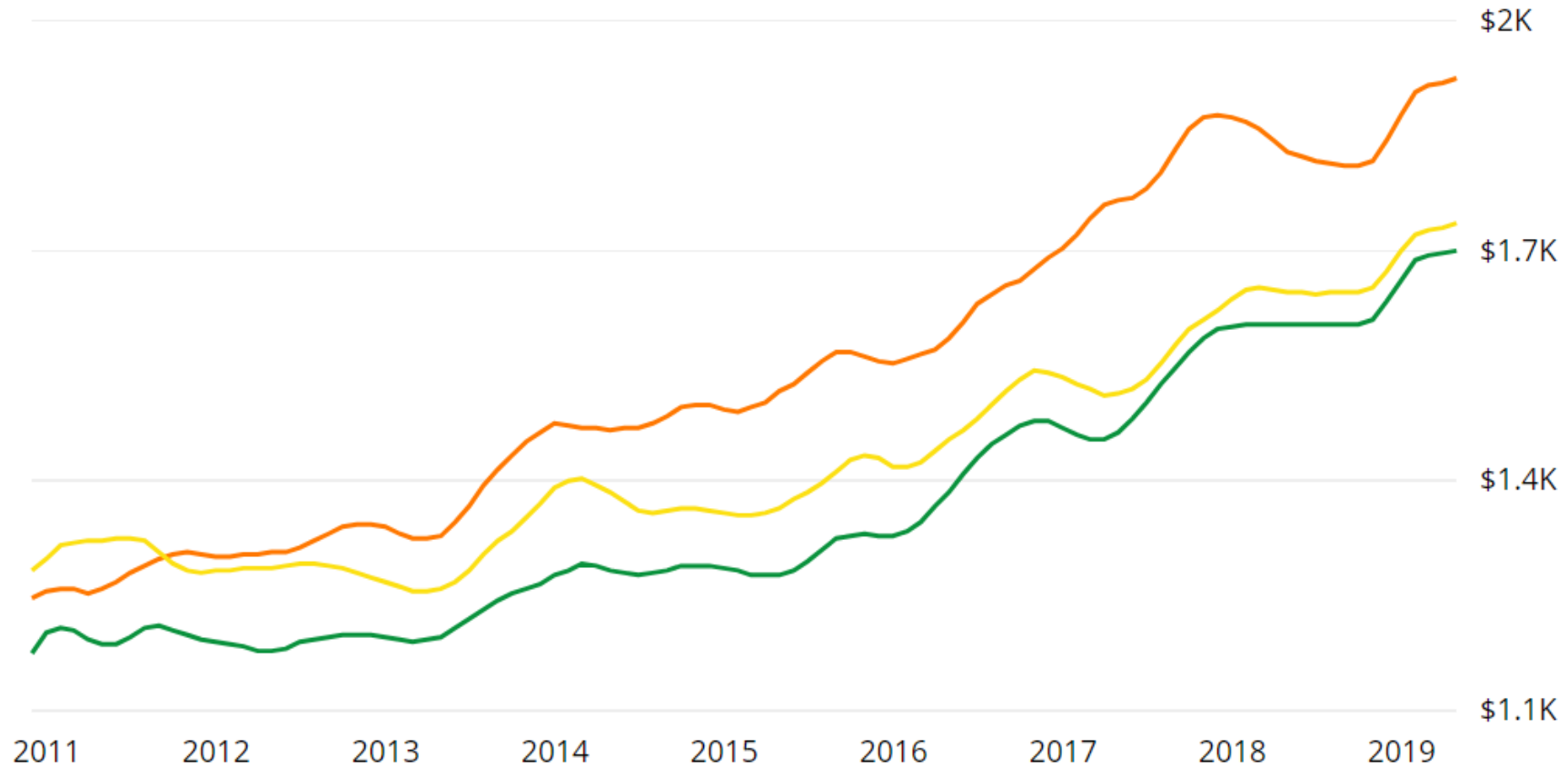
Aug 2019 — Walla Walla County \$1,405/mo



Source: <http://www.zillow.com/home-values/>

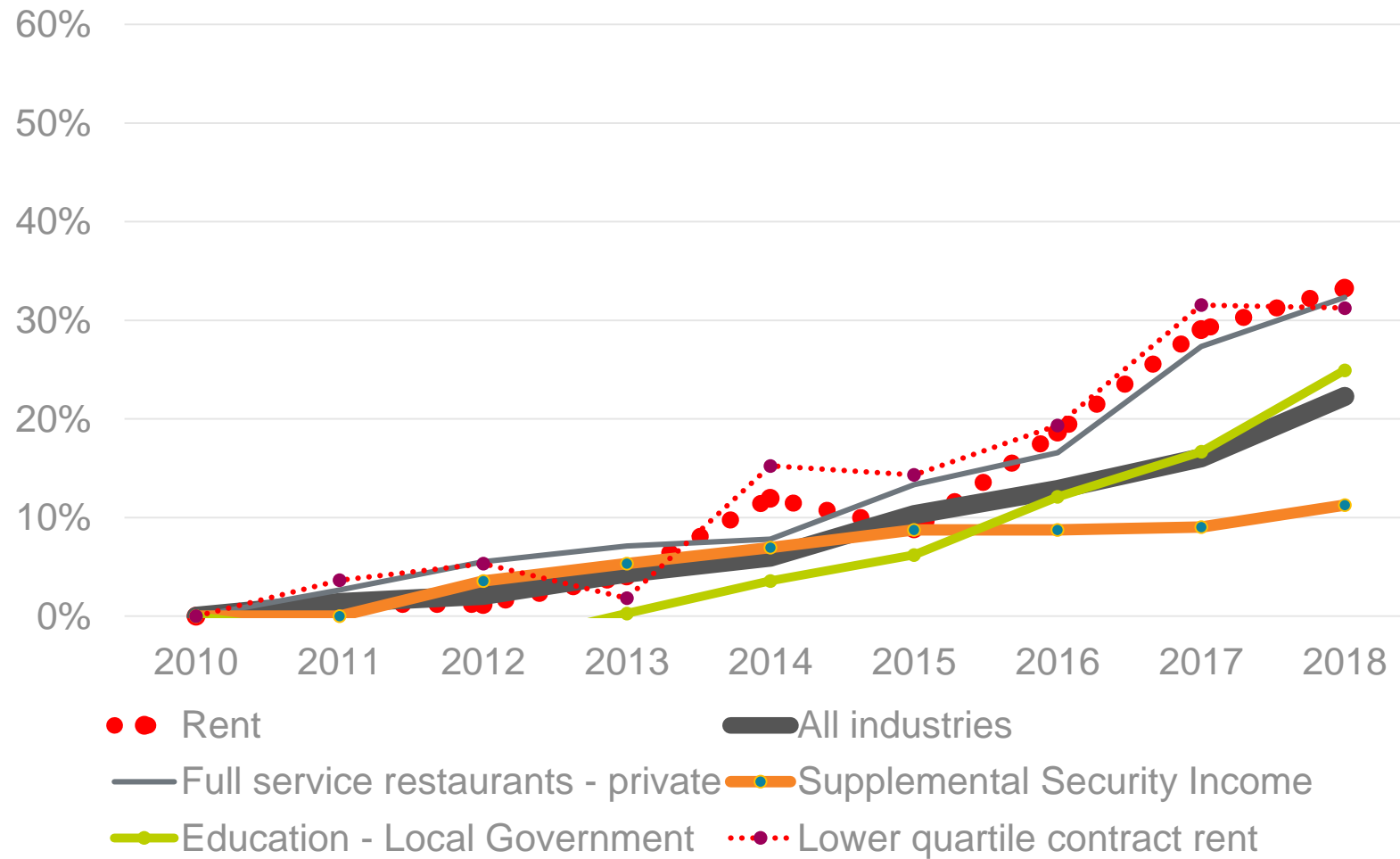
Rents in lower cost areas served by Sound Transit

Apr 2019 Tacoma \$1,733/mo Everett \$1,949/mo Lakewood \$1,768/mo



Source: one bedroom <http://www.zillow.com/home-values/>

Housing affordability in Thurston County – Rent vs. wages and disability income

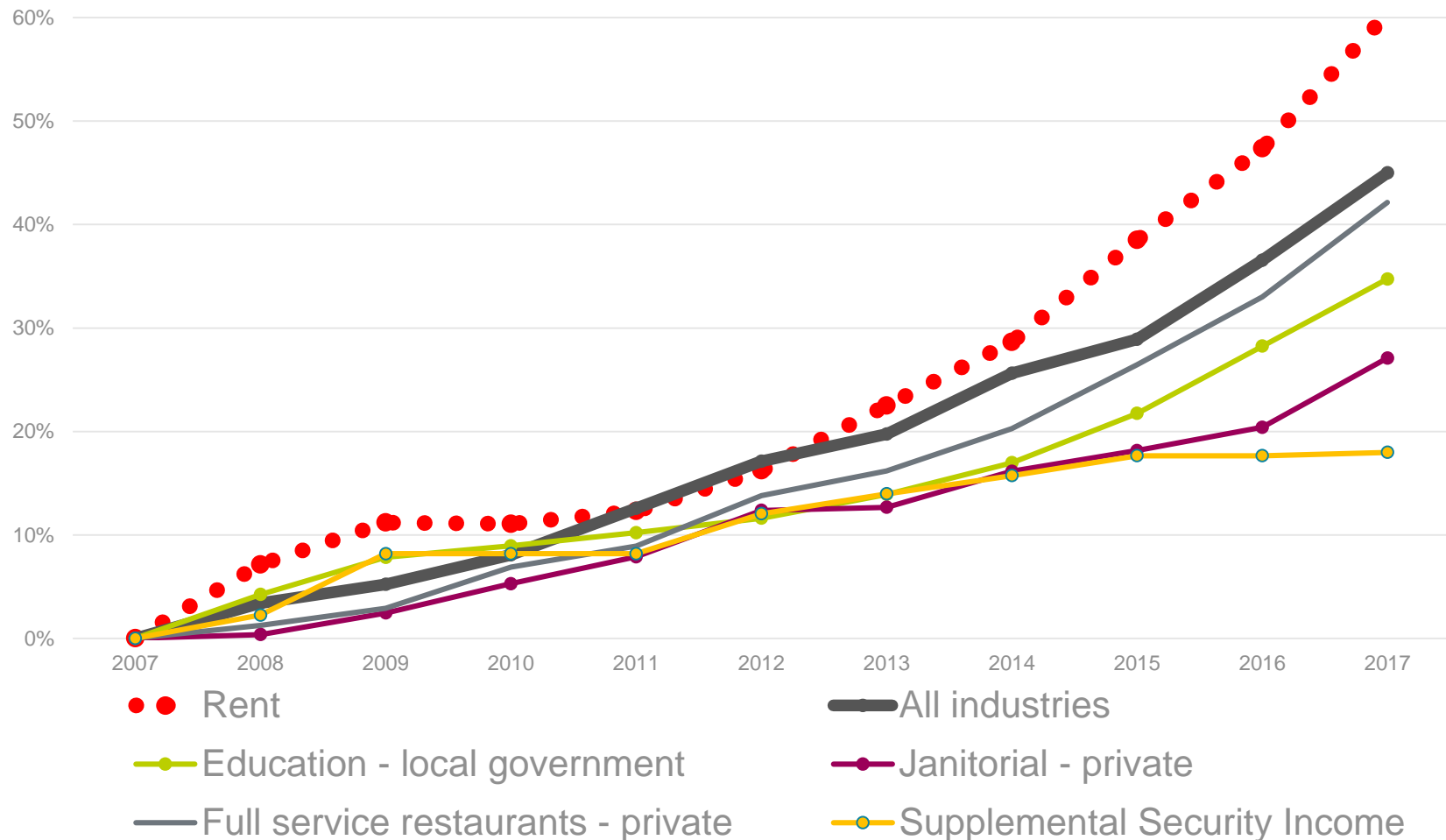


Sources:

BLS Quarterly Census of Employment and Wages, Average Annual Pay <https://data.bls.gov/PDOWeb/en>

Census Bureau ACS Median Contract Rent 1-Year Estimates B25058 https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table

Housing affordability in King County – Rent vs. wages and disability income

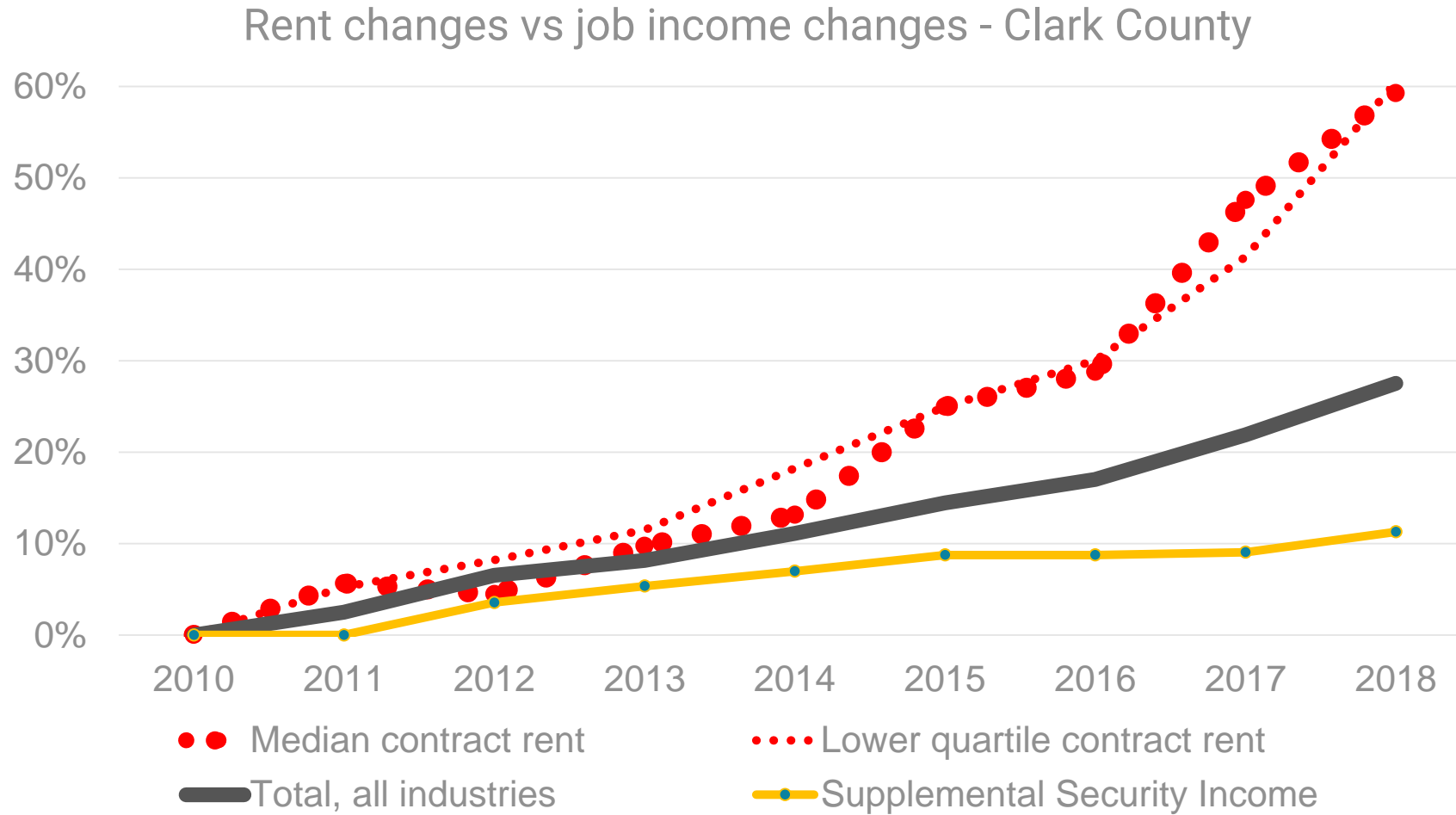


Sources:

BLS Quarterly Census of Employment and Wages, Average Annual Pay <https://data.bls.gov/PDOWeb/en>

Census Bureau ACS Median Contract Rent 1-Year Estimates B25058 https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table

Housing affordability in Clark County – Rent vs. wages and disability income

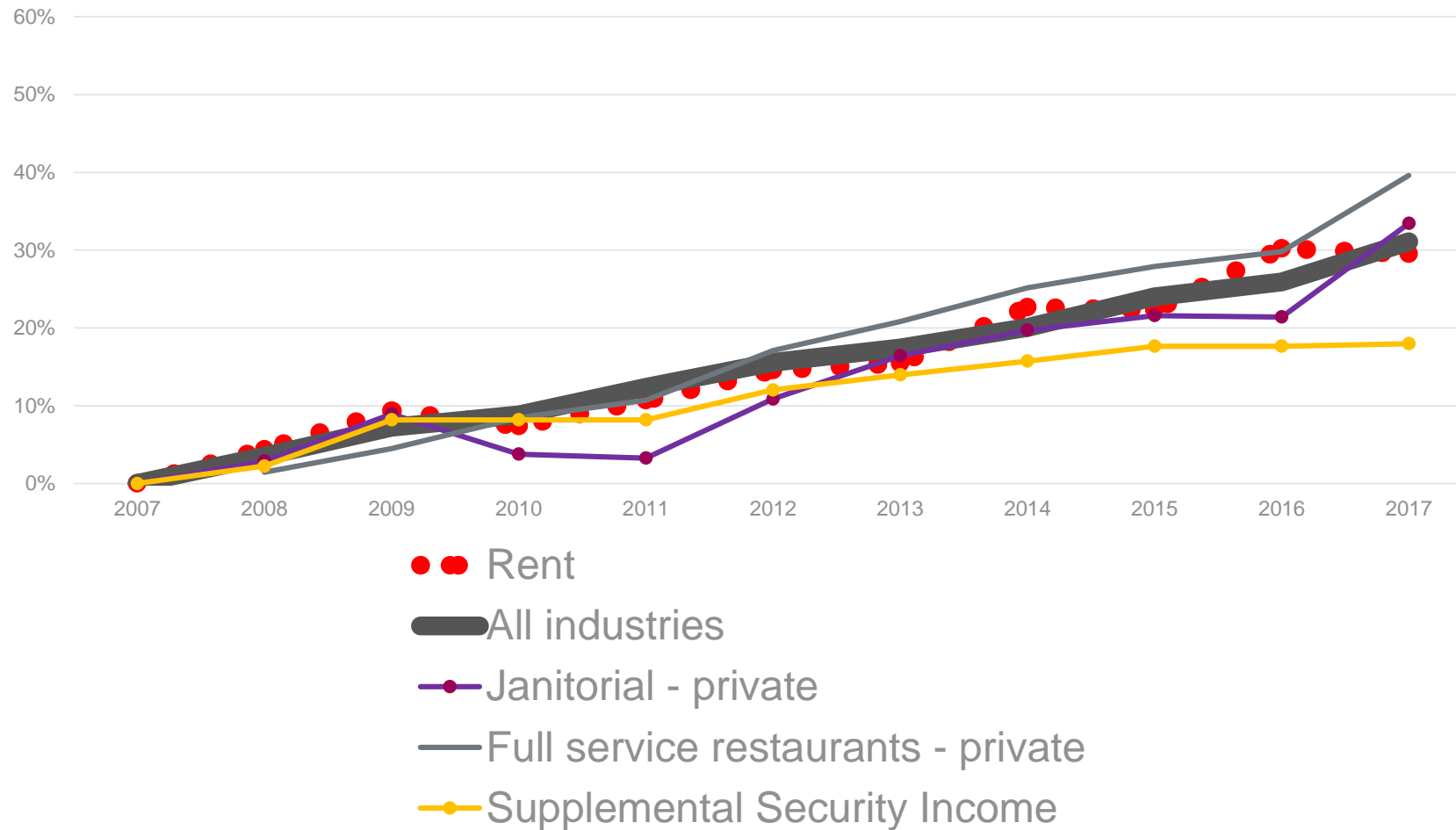


Sources:

BLS Quarterly Census of Employment and Wages, Average Annual Pay <https://data.bls.gov/PDQWeb/en>

Census Bureau ACS Median Contract Rent 1-Year Estimates B25058 https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table

Housing affordability in Spokane County – Rent vs. wages and disability income

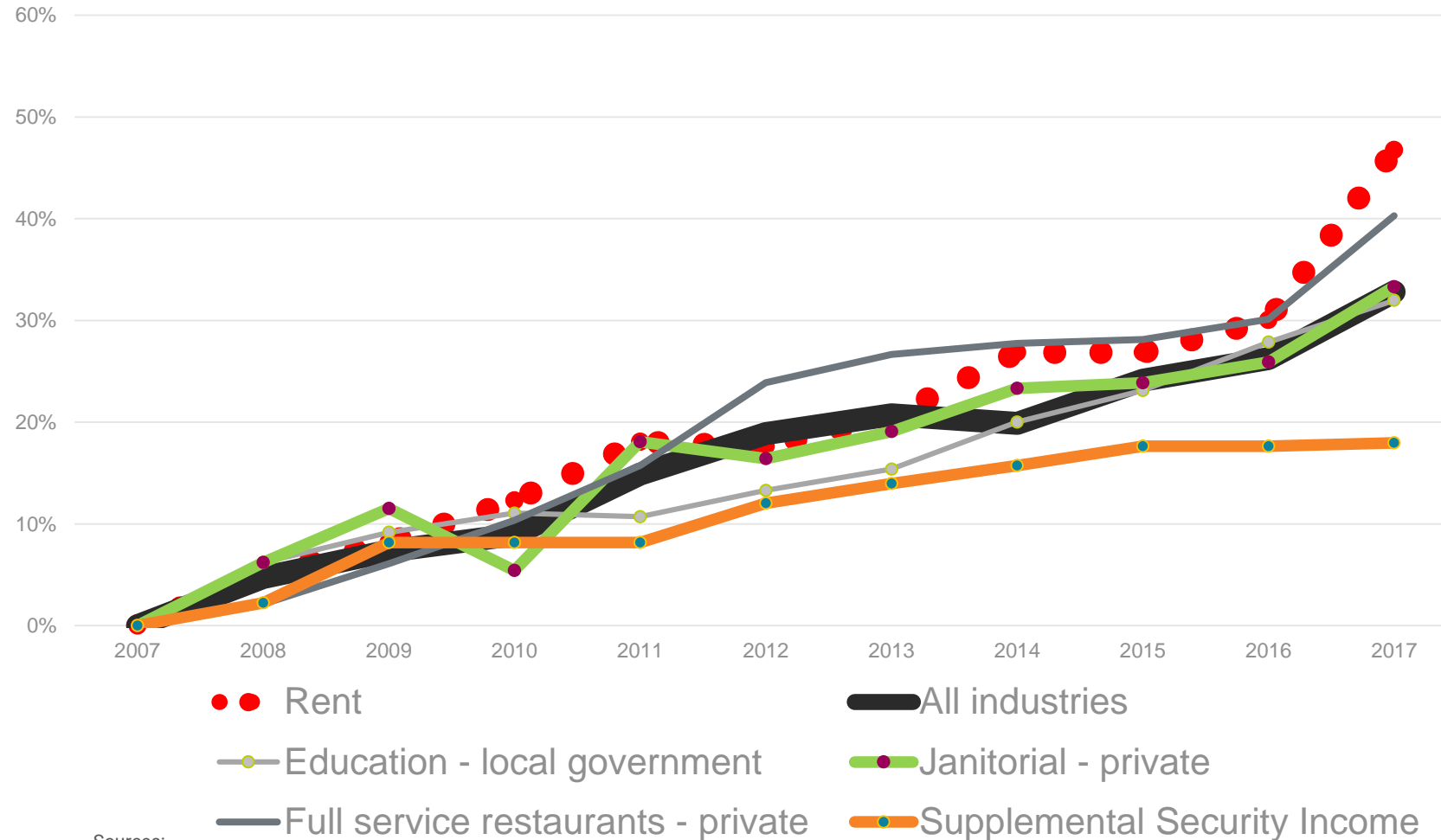


Sources:

BLS Quarterly Census of Employment and Wages, Average Annual Pay <https://data.bls.gov/PDQWeb/en>

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Housing affordability in Whatcom County – Rent vs. wages and disability income

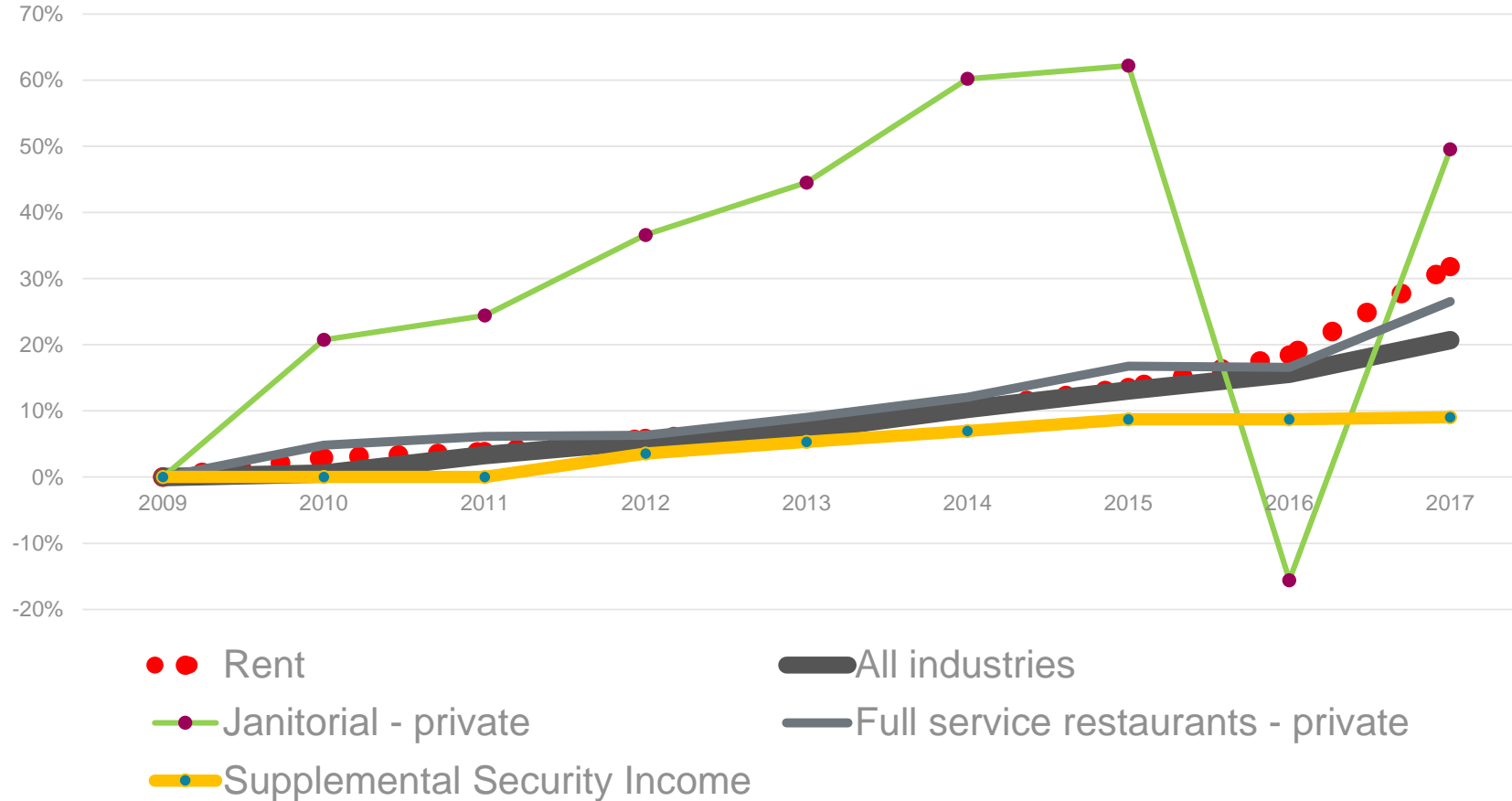


Sources:

BLS Quarterly Census of Employment and Wages, Average Annual Pay <https://data.bls.gov/PDQWeb/en>

Census Bureau ACS Median Contract Rent 1-Year Estimates B25058 https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table

Housing affordability in Walla Walla County – Rent vs. wages and disability income



Sources:

BLS Quarterly Census of Employment and Wages, Average Annual Pay <https://data.bls.gov/PDQWeb/en>

Census Bureau ACS Median Contract Rent 5-Year Estimates B25058 https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_B25058&prodType=table

Disaggregation is key – Large differences depending on geography and race/ethnicity

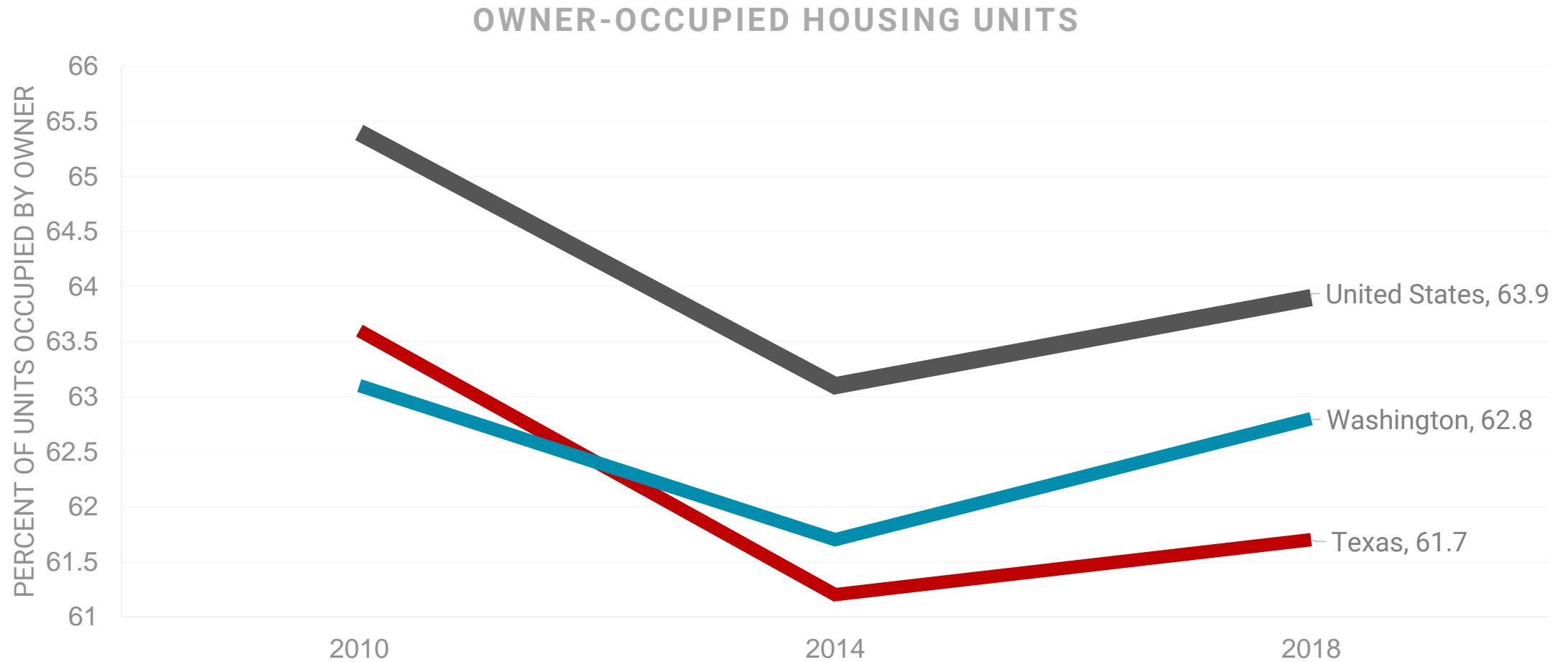
	Washington State	Spokane County	King County
All Households	\$74,073	\$59,783	\$95,009
White	\$75,172	\$60,768	\$100,298
Black or African American	\$55,661	\$28,494	\$55,152
American Indian and Alaska Native	\$53,243	\$24,531	\$63,558
Asian	\$97,356	\$63,704	\$111,609
Native Hawaiian and Other Pacific Islander	\$66,400	\$34,823	\$76,826
Some other race	\$52,043	\$60,030	\$57,592
Two or more races	\$71,232	\$52,874	\$85,337
Hispanic or Latino origin (of any race)	\$56,461	\$48,801	\$66,853
White alone, not Hispanic or Latino	\$76,521	\$60,988	\$101,247

Median household incomes are growing

	2010	2014	2017	2018	2010-2018 % Income Change
Benton County, Washington	59,766	58,093	63,001	68,115	14%
Chelan County, Washington	46,515	50,177	54,975	57,132	23%
Clallam County, Washington	38,841	46,469	48,002	59,001	52%
Clark County, Washington	54,924	61,741	67,832	74,060	35%
Cowlitz County, Washington	41,054	42,223	49,804	59,225	44%
Dallas County, Texas	46,860	50,076	53,626	59,839	28%
Franklin County, Washington	51,457	57,890	60,275	60,012	17%
Grant County, Washington	42,337	51,949	52,382	53,057	25%
Grays Harbor County, Washington	40,019	43,356	45,483	48,255	21%
Harris County, Texas (Houston)	50,422	54,178	57,791	60,232	19%
Island County, Washington	54,839	59,934	61,516	64,793	18%
King County, Washington	66,174	75,834	83,571	95,009	44%
Kitsap County, Washington	56,303	61,794	68,336	76,945	37%
Lewis County, Washington	38,643	43,575	46,387	61,058	58%
Pierce County, Washington	56,510	60,496	63,881	75,407	33%
Skagit County, Washington	55,458	50,558	59,263	73,206	32%
Snohomish County, Washington	63,188	71,984	78,020	87,440	38%
Spokane County, Washington	47,039	50,249	52,159	59,783	27%
Texas	48,615	53,035	57,051	60,629	25%
Thurston County, Washington	61,011	61,609	66,113	72,703	19%
United States	50,046	53,657	57,652	61,937	24%
Washington	55,631	61,366	66,174	74,073	33%
Whatcom County, Washington	49,938	53,665	56,419	62,268	25%
Yakima County, Washington	40,648	44,648	47,470	51,555	27%

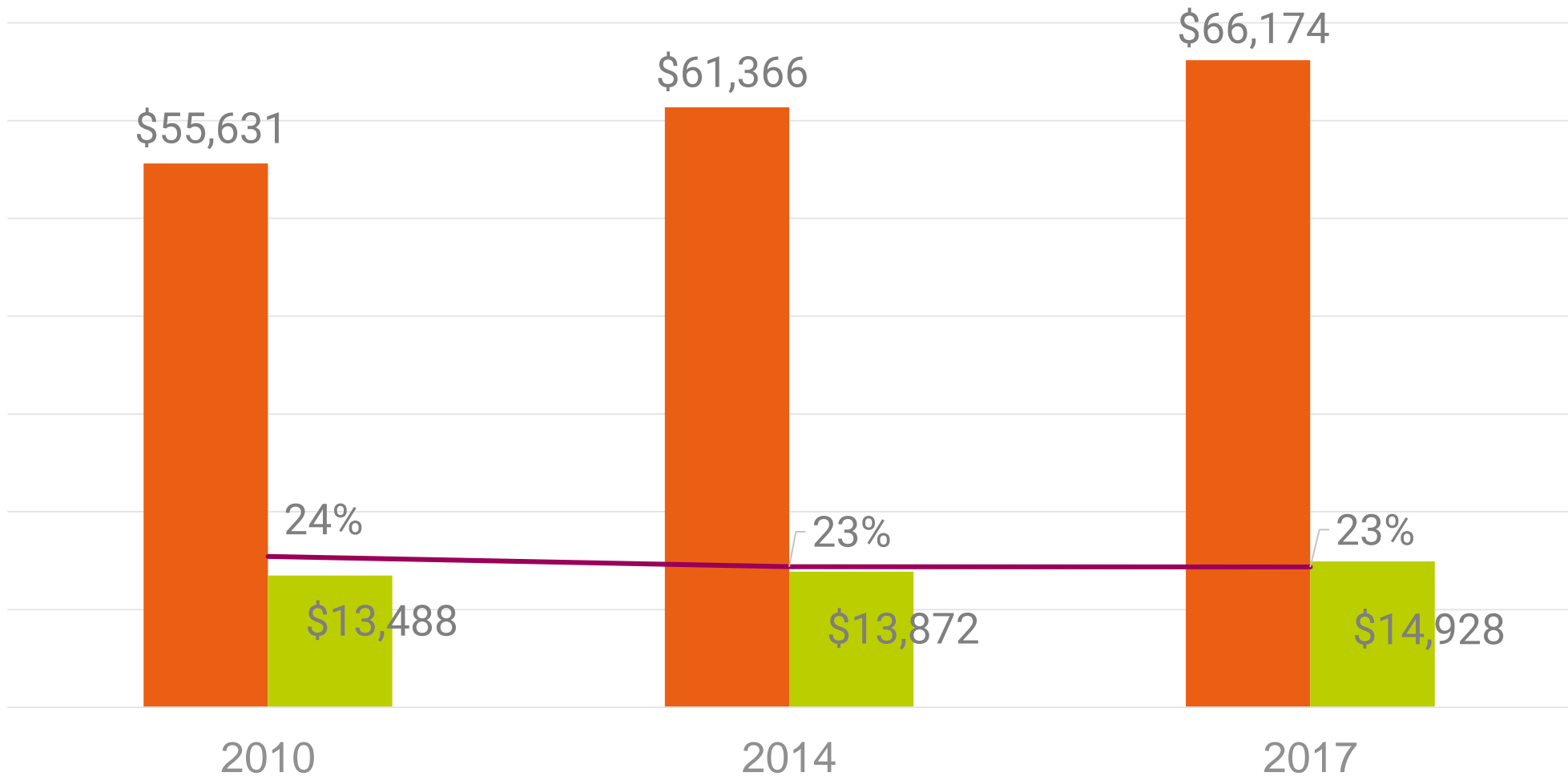
Source: Census Bureau American Community Survey 1-Year estimates

Homeownership rates



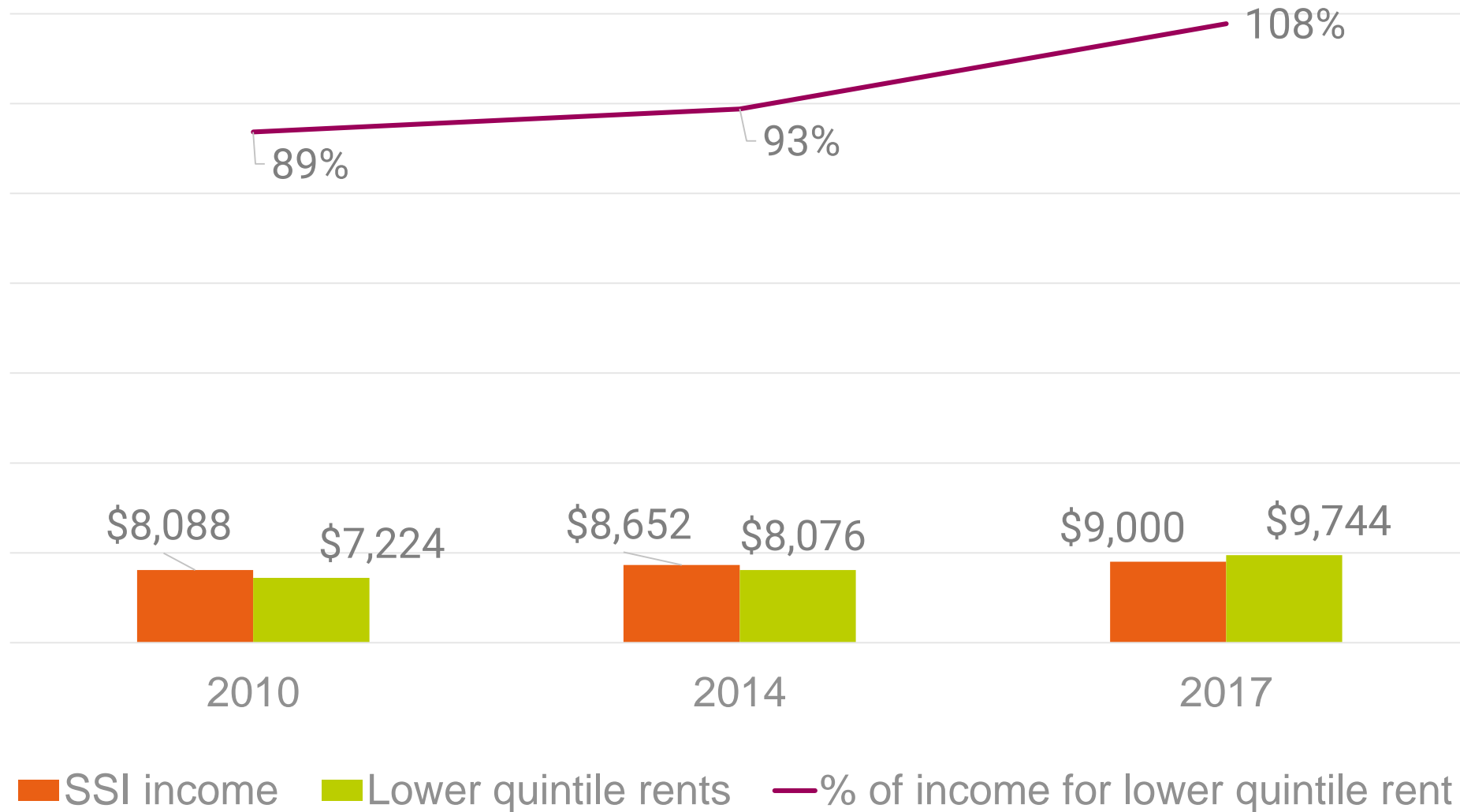
Source: Census Bureau American Community Survey 1-Year estimates Table DP04

WA middle incomes are growing faster than median housing costs...



■ Median household income ■ Median housing costs — % of income for housing costs

...but fixed incomes are not keeping pace with rent inflation



Middle incomes are growing faster than median housing costs...

Median housing costs vs. median household incomes			
	2010	2014	2017
United States	23%	22%	22%
Washington	24%	23%	23%
Texas	22%	21%	21%
Benton County, Washington	18%	19%	19%
Chelan County, Washington	23%	19%	19%
Clallam County, Washington	24%	21%	21%
Clark County, Washington	25%	22%	22%
Cowlitz County, Washington	24%	22%	22%
Dallas County, Texas	25%	24%	24%
Franklin County, Washington	21%	21%	19%
Grant County, Washington	21%	16%	18%
Grays Harbor County, Washington	22%	23%	21%
Harris County, Texas (Houston)	24%	22%	22%
Island County, Washington	24%	23%	23%
King County, Washington	25%	23%	23%
Kitsap County, Washington	25%	23%	22%
Lewis County, Washington	23%	23%	22%
Pierce County, Washington	27%	24%	24%
Skagit County, Washington	24%	25%	22%
Snohomish County, Washington	27%	23%	23%
Spokane County, Washington	22%	21%	22%
Thurston County, Washington	24%	23%	22%
Whatcom County, Washington	24%	23%	23%
Yakima County, Washington	23%	22%	22%

Source: Census Bureau American Community Survey 1-year estimates, Table S2503

...but fixed incomes are not keeping pace with rent inflation

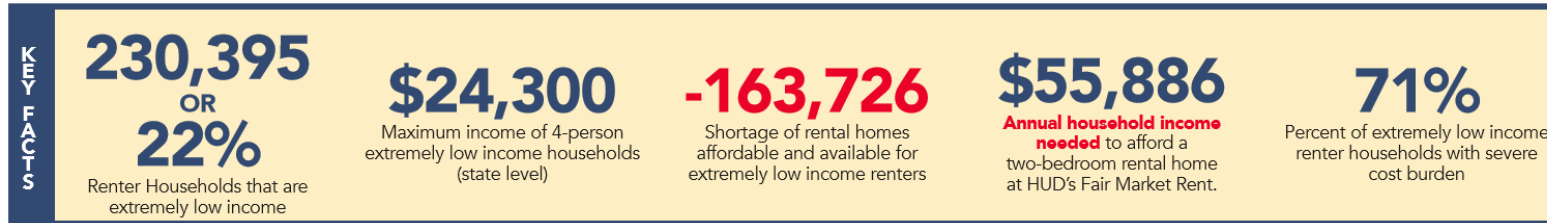
Social Security Disability Income (SSI) vs. lower quartile rents				
	2010 - Rent as percentage of SSI income	2014 - Rent as percentage of SSI income	2018 - Rent as percentage of SSI income	Rent increase minus increase in SSI payment 2010 to 2018
United States	74%	76%	82%	\$ 39
Washington	89%	93%	108%	\$ 134
Texas	73%	77%	89%	\$ 97
Benton County, Washington	72%	85%	88%	\$ 97
Chelan County, Washington	74%	76%	90%	\$ 106
Clallam County, Washington	73%	72%	78%	\$ 16
Clark County, Washington	90%	100%	130%	\$ 292
Cowlitz County, Washington	72%	71%	75%	\$ 5
Dallas County, Texas	82%	84%	103%	\$ 148
Franklin County, Washington	65%	76%	87%	\$ 138
Grant County, Washington	66%	67%	75%	\$ 44
Grays Harbor County, Washington	68%	77%	61%	\$ (70)
Harris County, Texas (Houston)	79%	83%	97%	\$ 116
Island County, Washington	89%	90%	109%	\$ 136
King County, Washington	109%	114%	152%	\$ 326
Kitsap County, Washington	93%	97%	110%	\$ 123
Lewis County, Washington	67%	68%	77%	\$ 52
Pierce County, Washington	97%	99%	119%	\$ 162
Skagit County, Washington	95%	90%	95%	\$ (1)
Snohomish County, Washington	105%	114%	141%	\$ 279
Spokane County, Washington	73%	77%	82%	\$ 47
Thurston County, Washington	97%	105%	115%	\$ 129
Whatcom County, Washington	86%	93%	107%	\$ 150
Yakima County, Washington	68%	70%	69%	\$ (16)

Homeownership rates

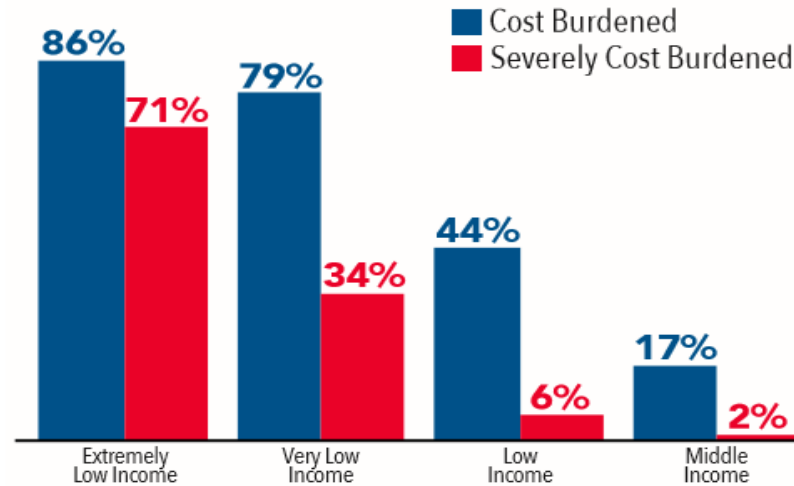
	2010	2014	2018
Benton	69	65.9	67.7
Chelan	64.9	67.9	61.2
Clallam	66.7	71.8	72.3
Clark	66.7	63.1	67.2
Cowlitz	62	63.3	67.9
Franklin	63.6	67.5	65.9
Grant	62.2	59.3	61.6
Grays Harbor	70.2	64.8	68.1
Island	70.8	64.6	73.1
King	58.1	57	56
Kitsap	65.3	65.3	69.9
Lewis	71.6	67.2	71.1
Pierce	61.4	59.9	62.8
Skagit	68.7	66.3	69.1
Snohomish	67.2	65.3	67.8
Spokane	63.3	62.1	63.4
Thurston	65.9	60.3	64.1
Whatcom	61.2	62.5	61.4
Yakima	61	64.7	63.5
United States	65.4	63.1	63.9
Texas	63.6	61.2	61.7
Washington	63.1	61.7	62.8
Dallas County, Texas	53.2	50.2	48.9
Harris County (Houston), Texas	57.3	52.9	54.1

Source: Census Bureau American Community Survey 1-Year estimates Table DP04

71% of WA extremely low-income renter households are severely cost burdened

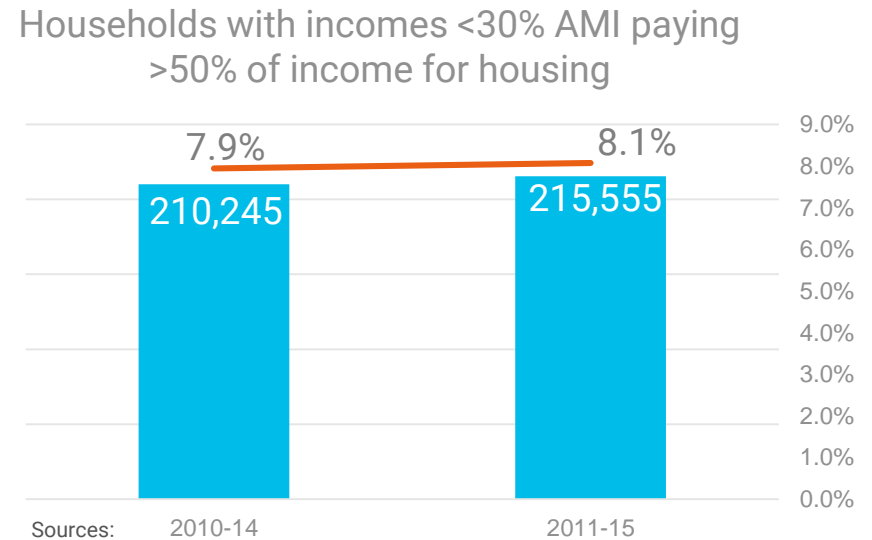
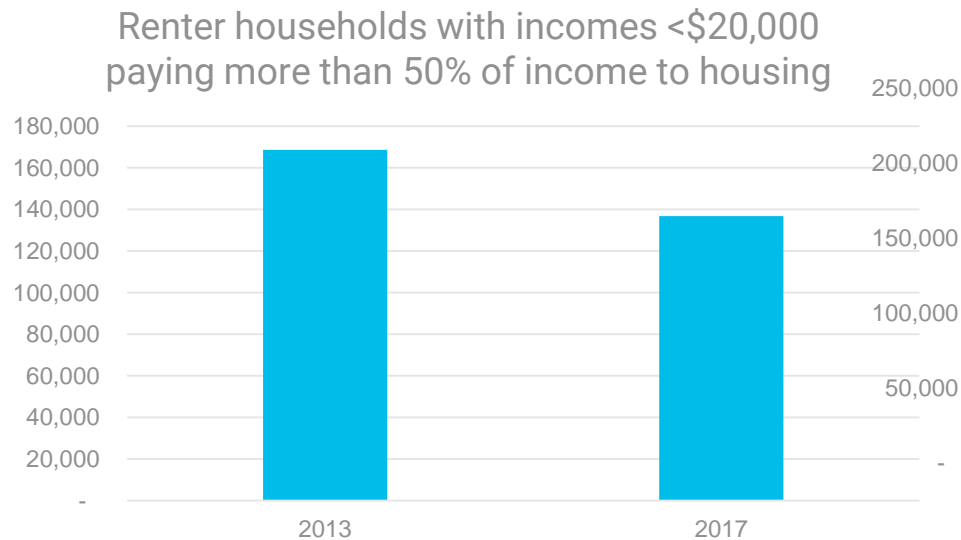
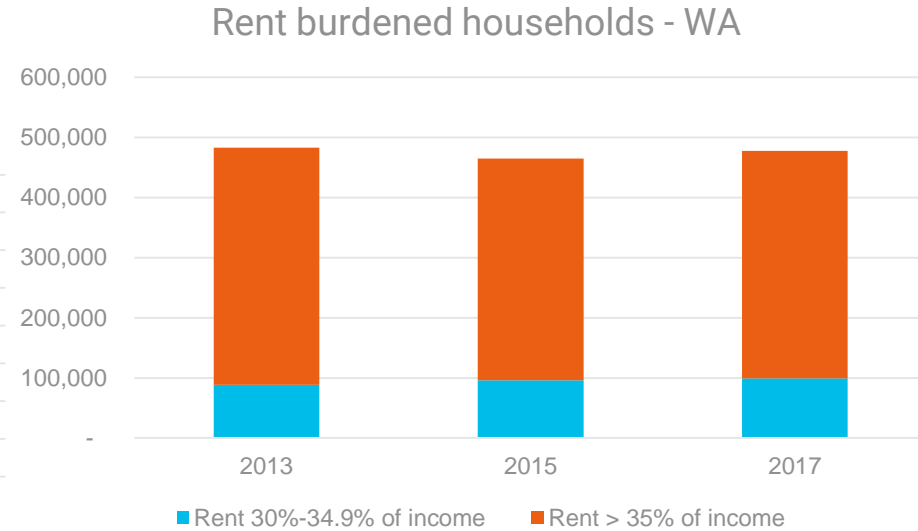
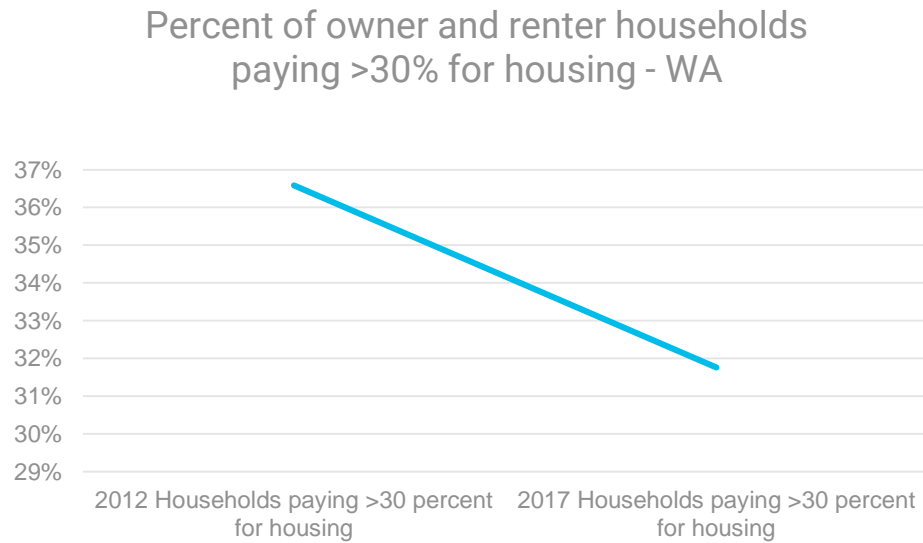


HOUSING COST BURDEN BY INCOME GROUP



Source: National Low Income Housing Coalition

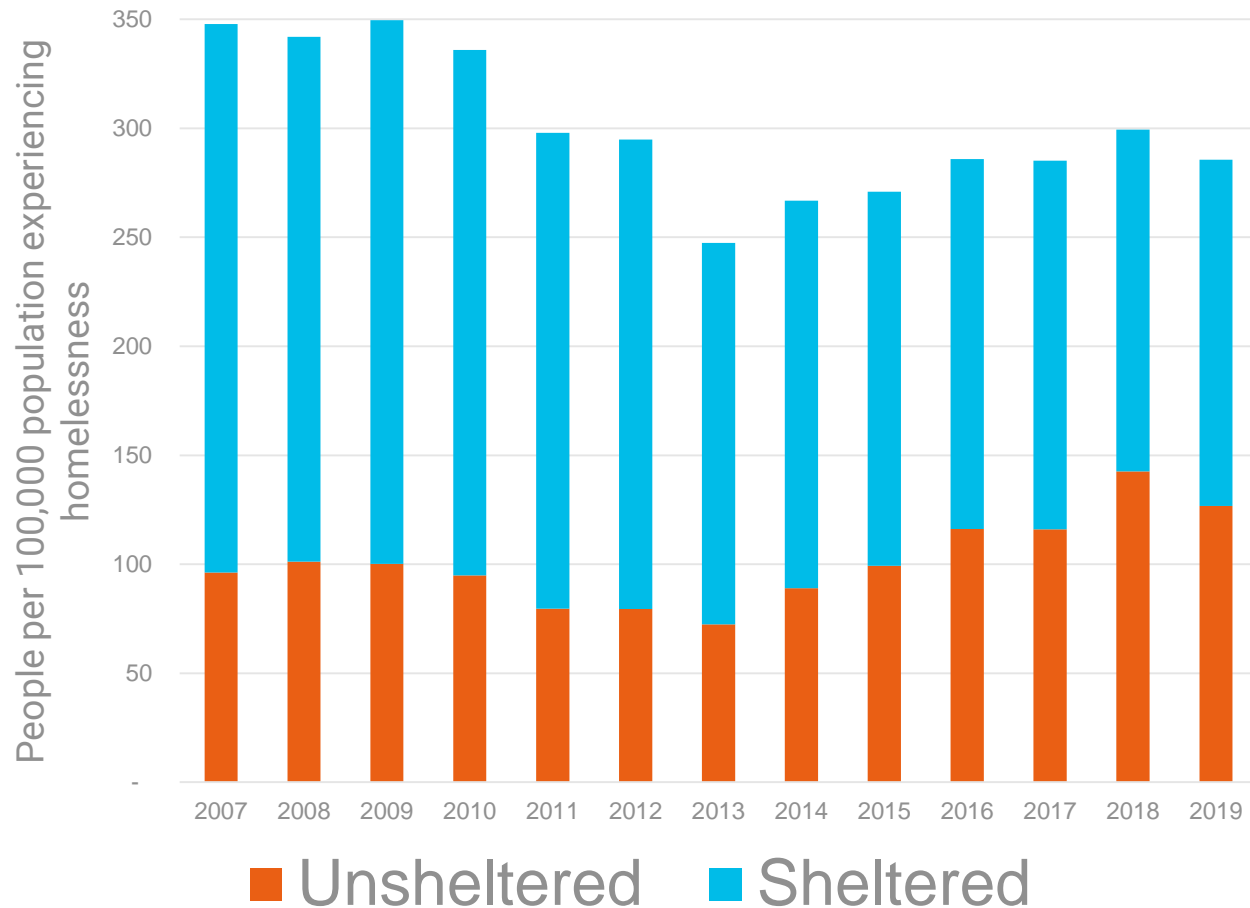
Housing affordability in Washington State - Households



Sources: 2010-14 Census ACS 1-Year Estimates Selected Housing Characteristics DP04 Public Use Microdata Samples, Washington Housing Unit Records CHAS Data: <https://www.huduser.gov/portal/datasets/cp.html>

Homelessness – WA 5th highest per capita rate

WA: 0.29%, US: 0.17%



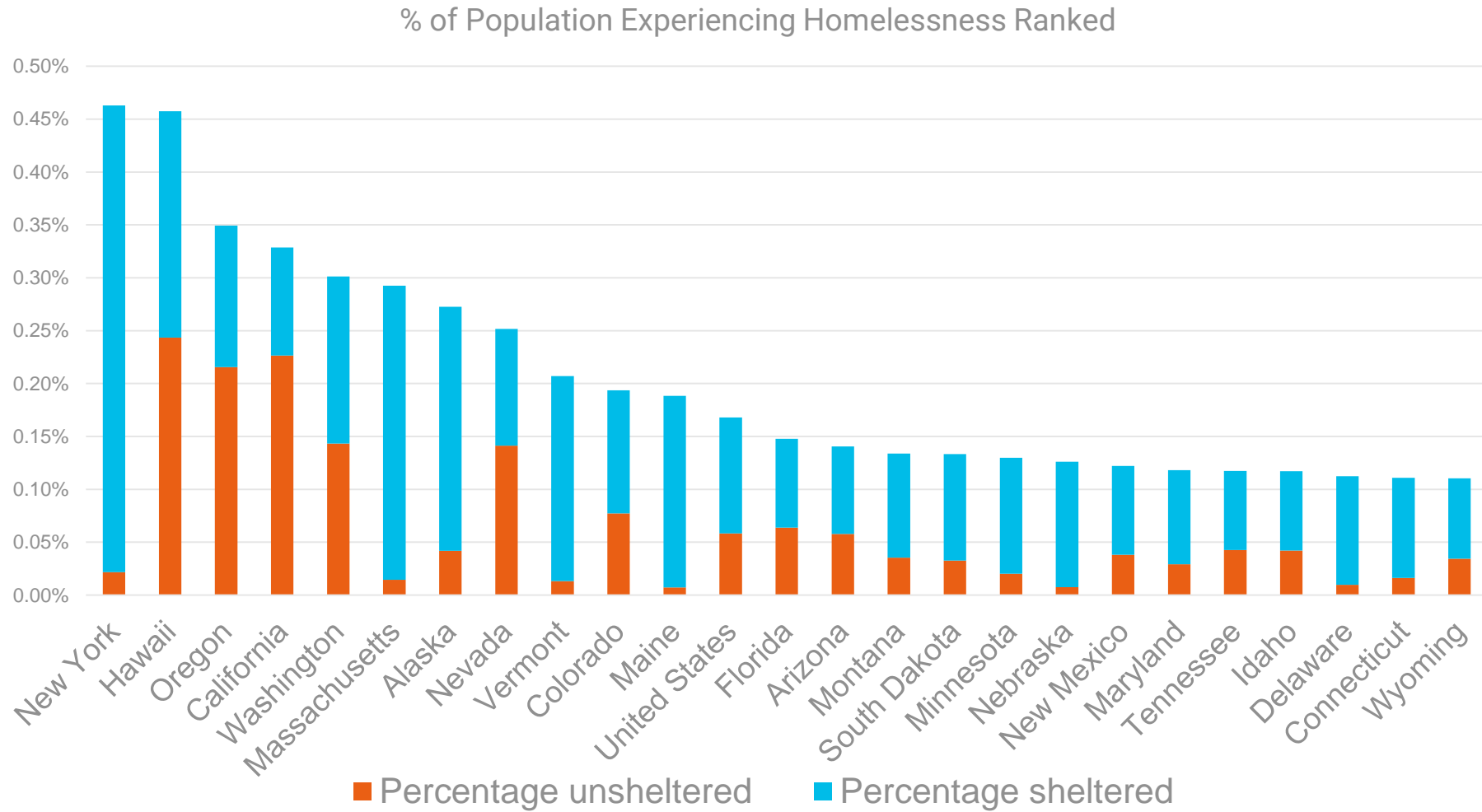
January 2019
21,621 people

9,599 living unsheltered

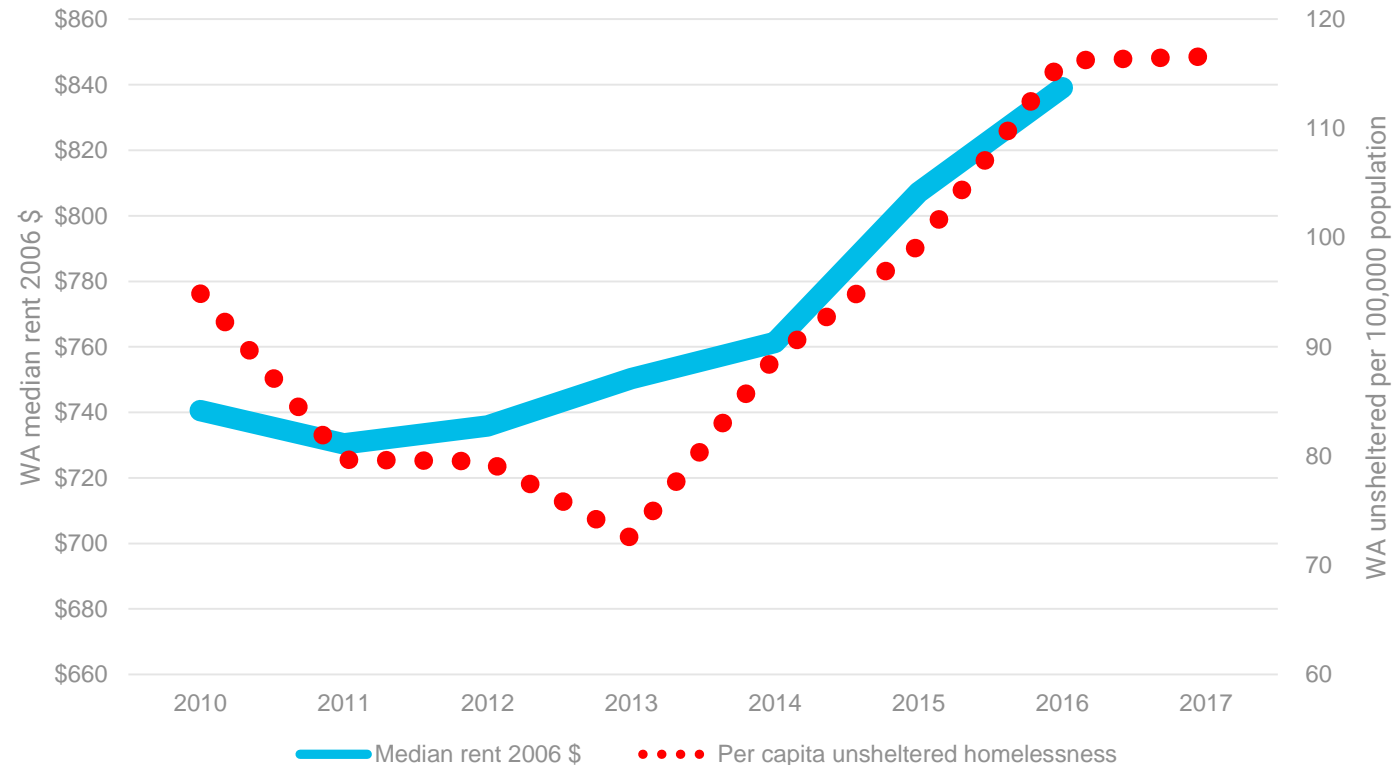
8,831 in households without children

768 people in households with children

Homelessness – WA 5th highest per capita rate



All things being equal, as rents grow, homelessness increases



Sources:

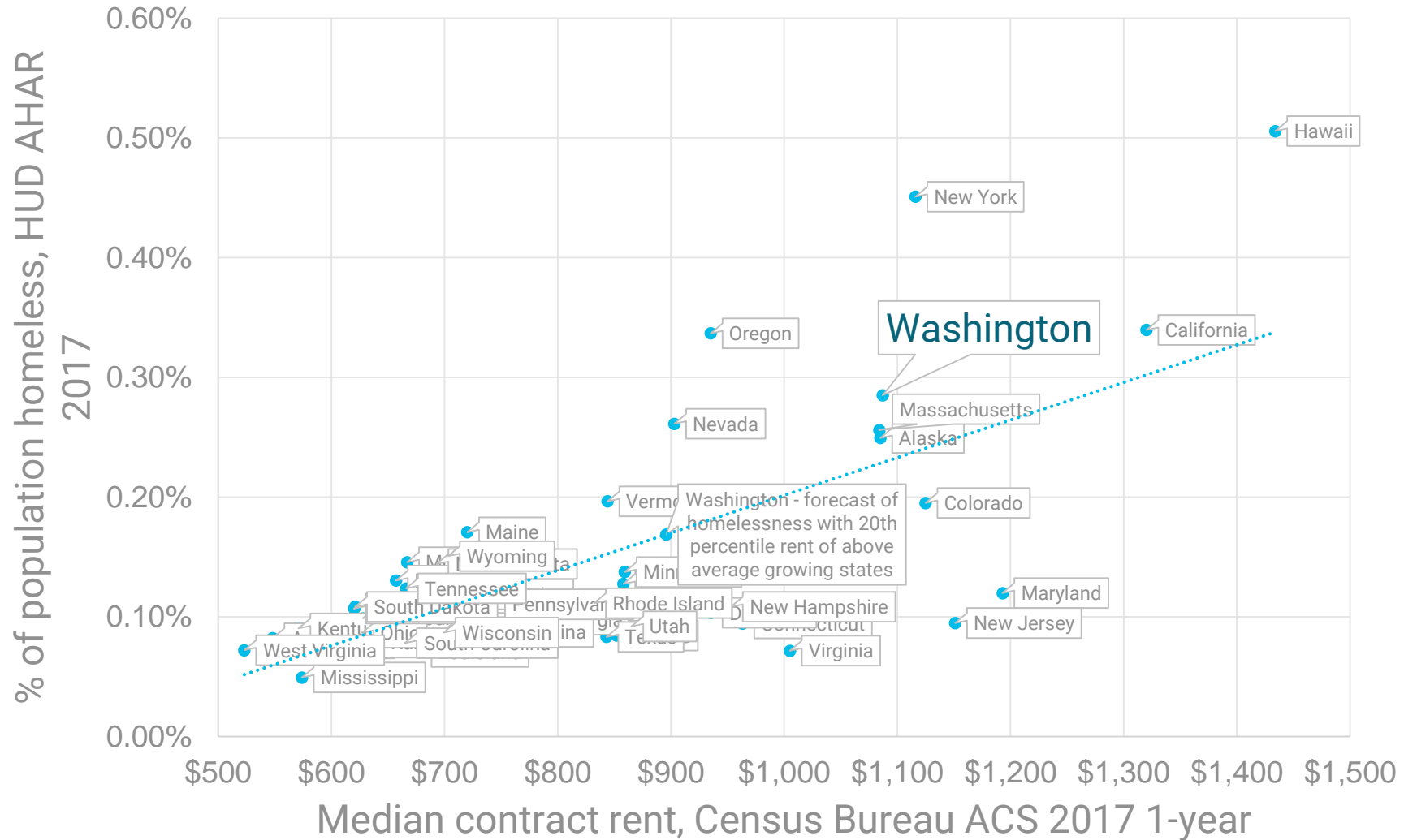
Rent: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25058, inflation adjusted using Bureau of Labor Statistics CPI-U

Homelessness: WA point in time count, adjusted by : U.S. Census Bureau American Community Survey one-year population estimate for Washington State

1 - Journal of Urban Affairs, *New Perspectives on Community-Level Determinants of Homelessness*, 2012

2 - Dynamics of homelessness in urban America, arXiv:1707.09380

Rents vs. homelessness – 0.7 correlation



Other drivers

Beyond rent:
What about other potential
drivers of the increase in
homelessness?

WA economy: Above average and improving

2012 to 2018:

Ranked #1 in GDP growth – two years in a row

- Per capita GDP ranked #9

More people working

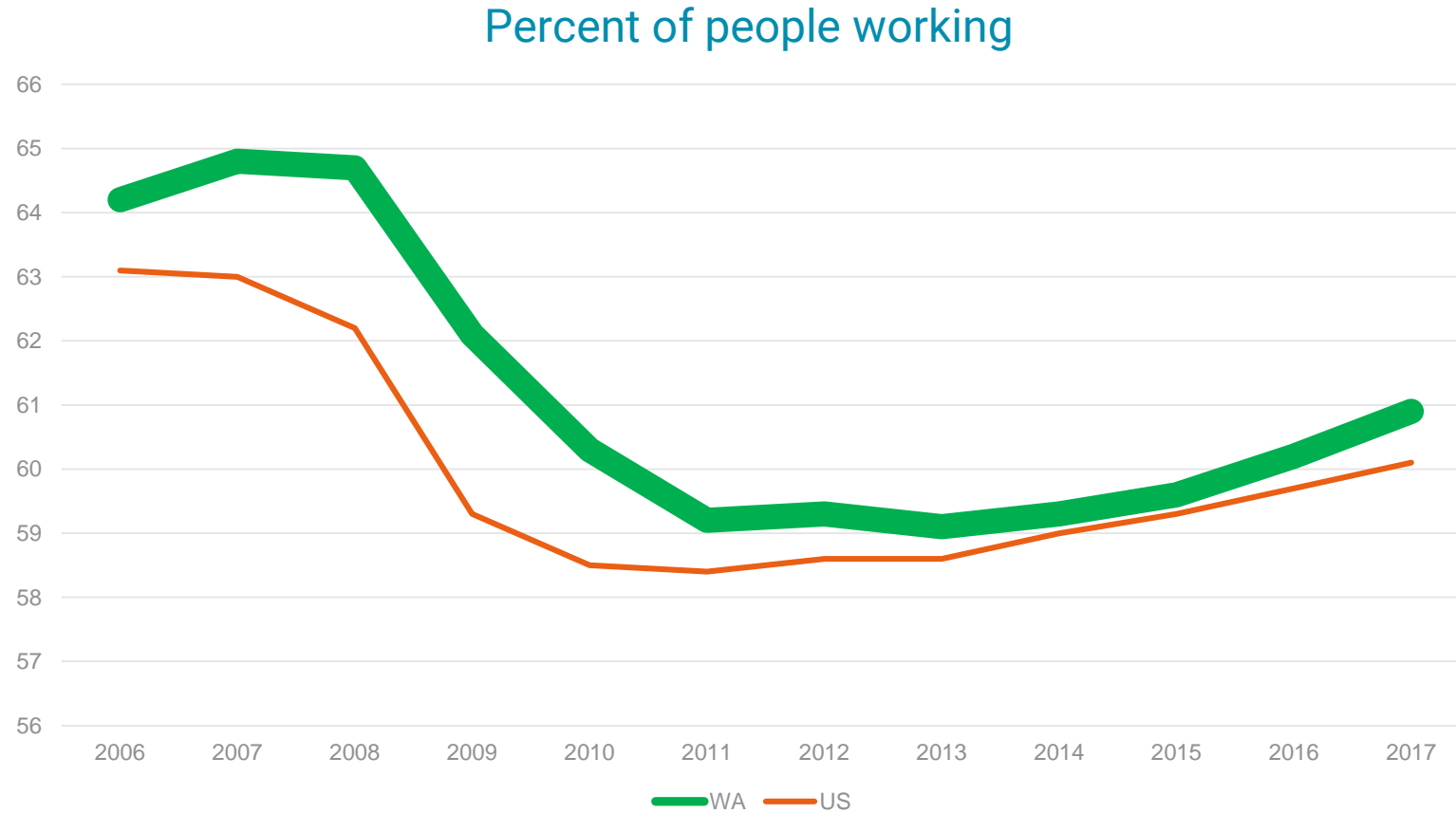
- Percent of population employed increasing - ranked #25

Incomes increasing

- Median household income ranked #10
- Median household income growth ranked #1
- Lowest quintile household income rank #9
- Lowest quintile household income growth ranked #5



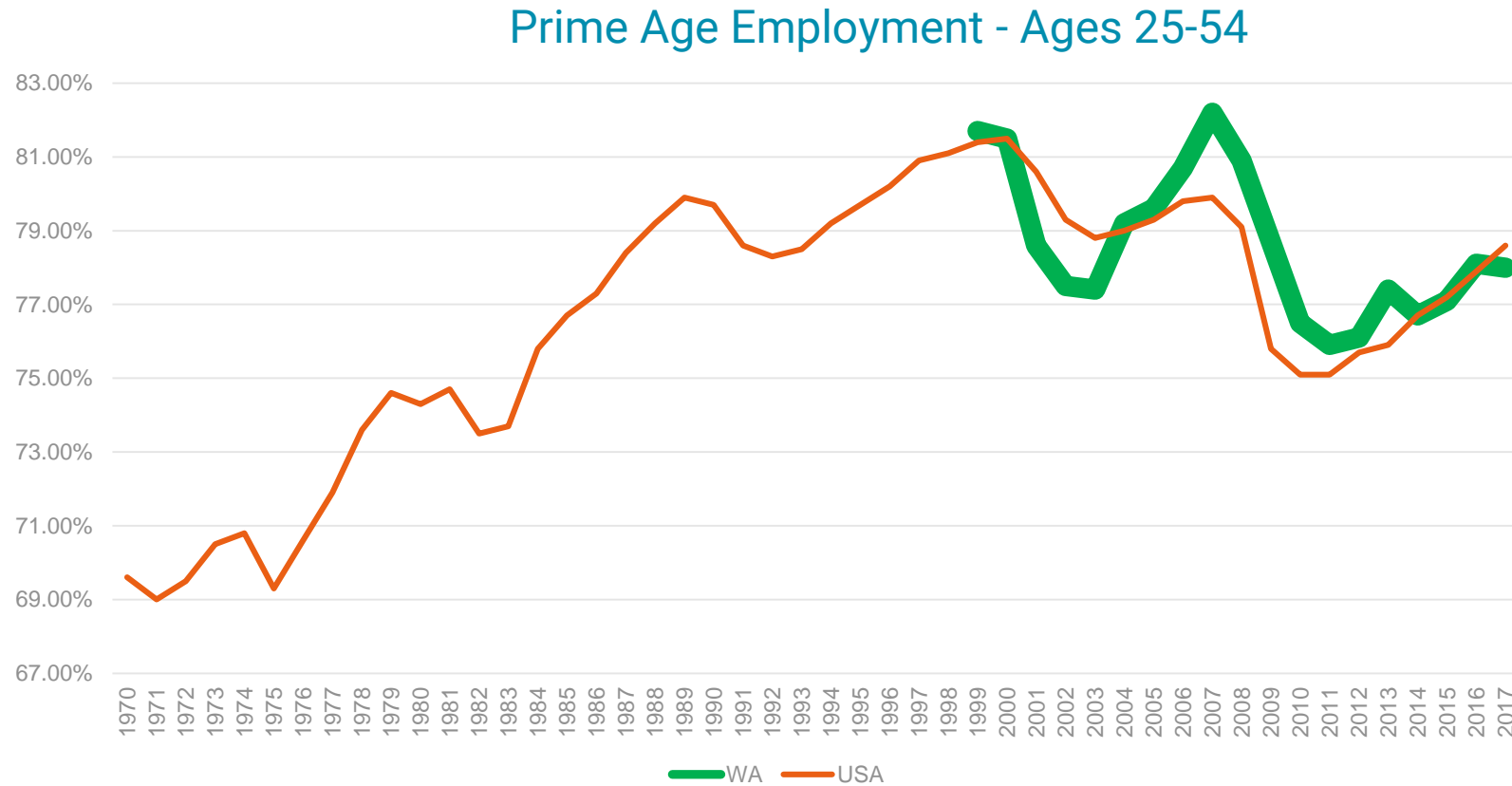
WA economy: Employment rate is above average and increasing



Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian noninstitutional population, percent of population employed



WA economy: More prime-age people work



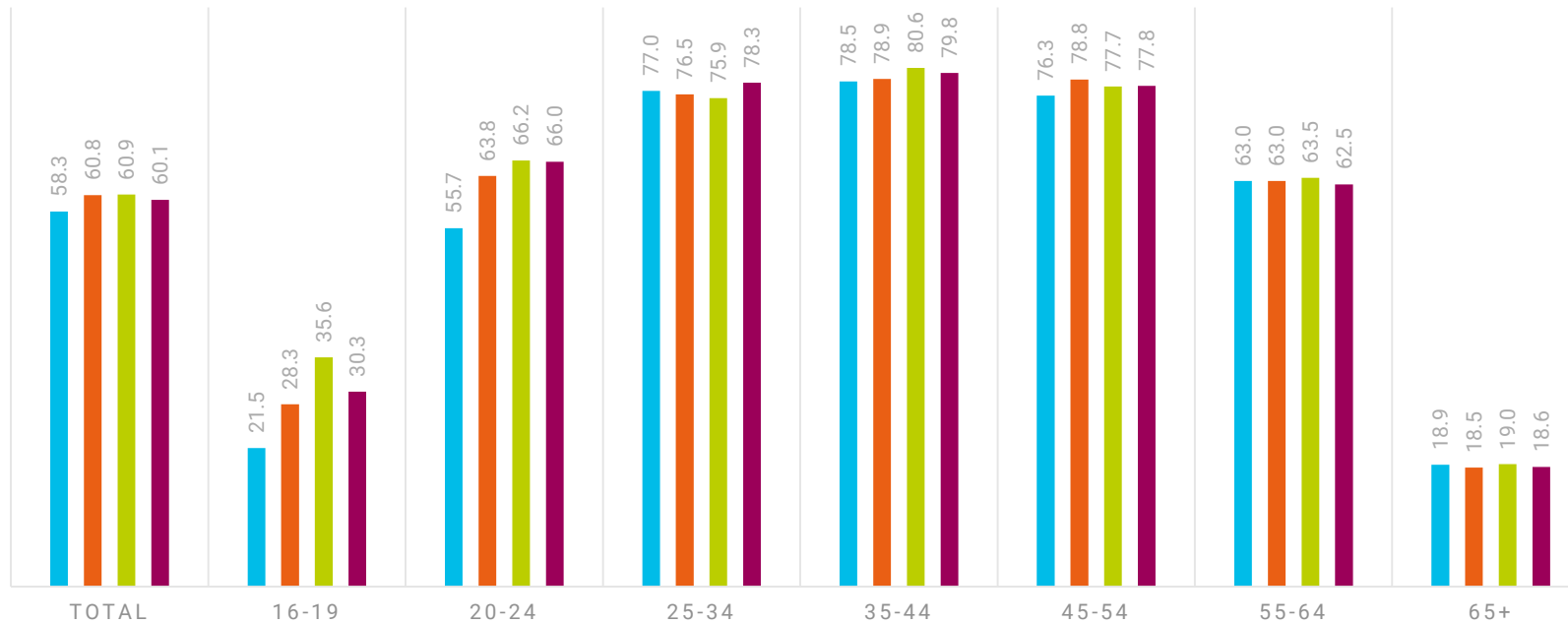
Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian noninstitutional population, percent of ages 25-54 employed
<https://www.bls.gov/lau/ex14tables.htm>



Services: WA similar rate of employment to high and low service states

2017 PERCENTAGE OF POPULATION EMPLOYED BY AGE GROUP

■ NY ■ Texas ■ WA ■ USA

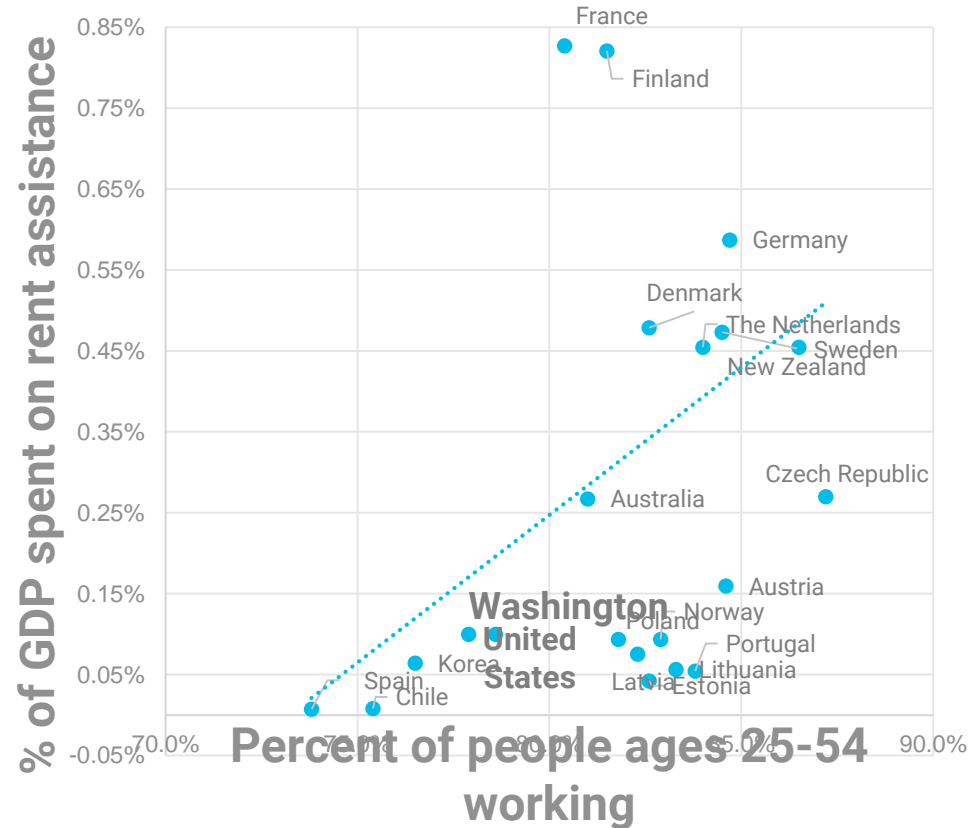


Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian non-institutional in states, percent of population employed



Services: More people working compatible with higher levels of housing assistance

Moderate positive relationship between spending on rent assistance and % of people working



*Housing vouchers for low income households:*¹

- Reduce earned income by \$109 a month (\$12,452 to \$11,140 annually)
- Reduce employment by 3.6 percentage points (61% to 57%) first eight years, no significant impact at 14 years²

*Permanent vouchers vs. temporary rent assistance for homeless families:*³

- Reduce families living homeless or doubled up by 16 percentage points (16% vs. 32%)
- No long term significant impact on earned income or having a job

Sources:

<https://www.oecd.org/els/family/PH3-1-Public-spending-on-housing-allowances.pdf>

<https://data.oecd.org/emp/employment-rate-by-age-group.htm#indicator-chart>

<https://www.cbpp.org/sites/default/files/atoms/files/4-13-11housing-WA.pdf>

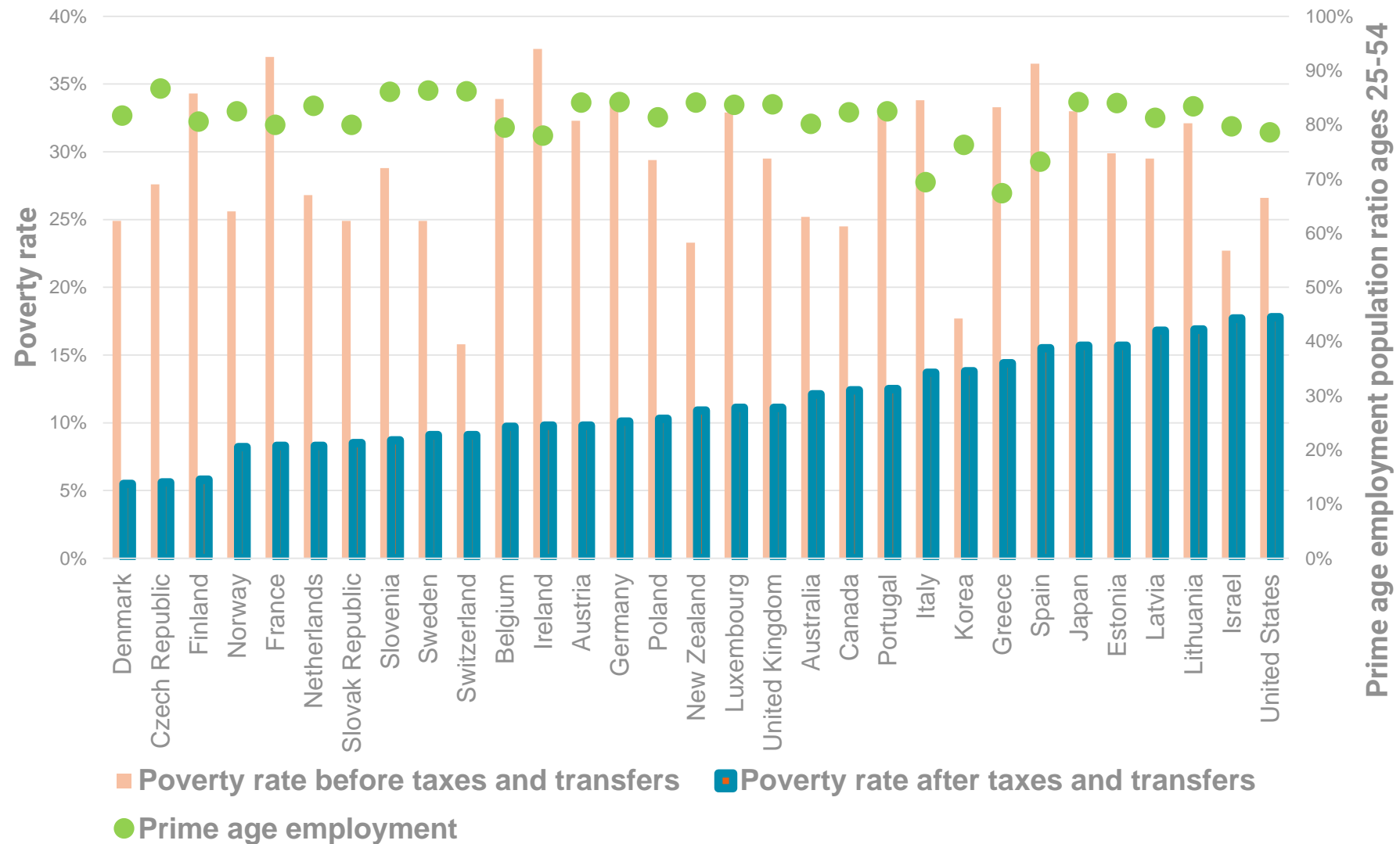
1 – The Effects of Housing Assistance on Labor Supply, Jacob et al, 2008, <http://www.nber.org/papers/w14570.pdf>

2 - The Impact of Housing Assistance on Child Outcomes: Evidence From a Randomized Housing Lottery, Jacob et al, 2015, page 501 [https://harris.uchicago.edu/files/inline-](https://harris.uchicago.edu/files/inline-files/QJE%20housing%20vouchers%20and%20kid%20outcomes%202015.pdf)

[files/QJE%20housing%20vouchers%20and%20kid%20outcomes%202015.pdf](https://harris.uchicago.edu/files/inline-files/QJE%20housing%20vouchers%20and%20kid%20outcomes%202015.pdf)

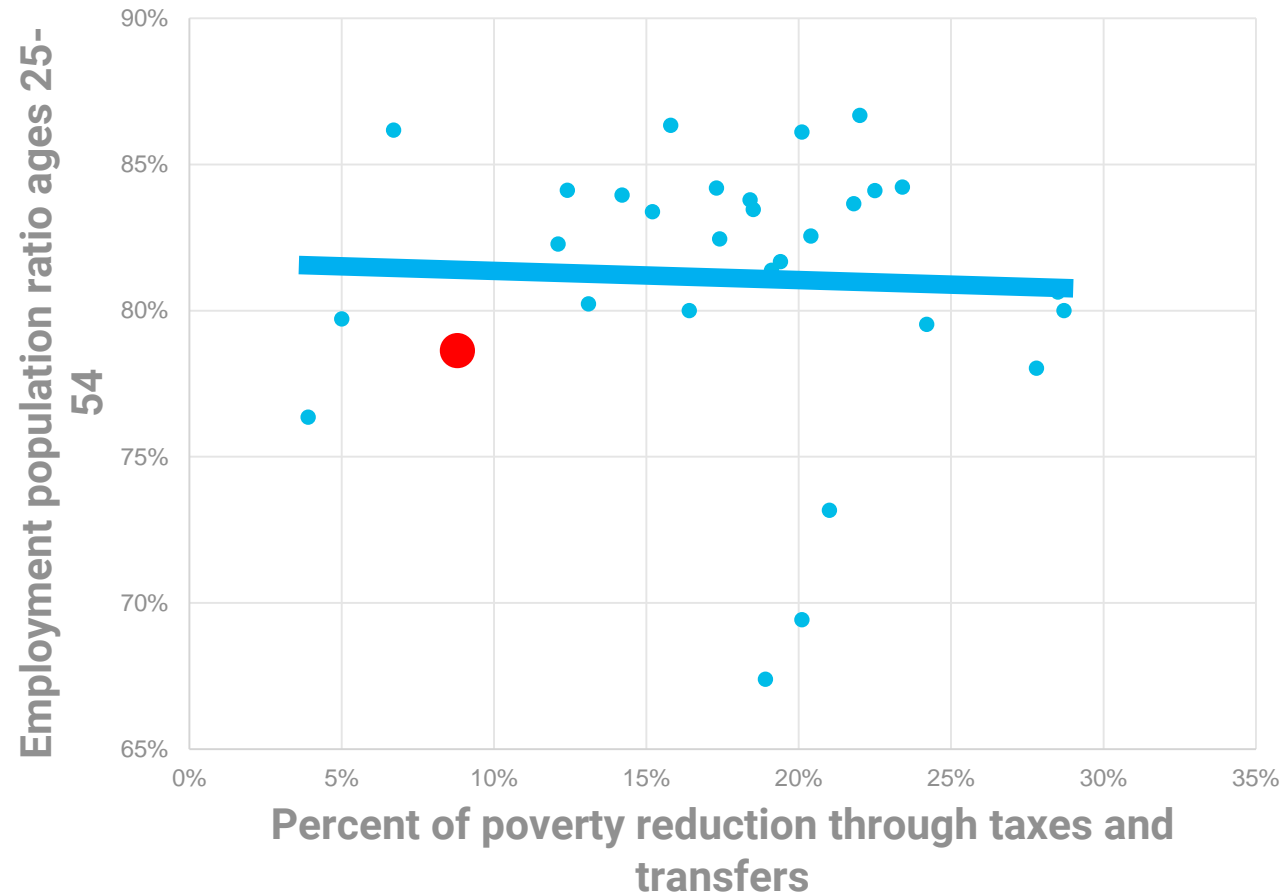
3 – HUD Family Options Study 3-Year Impacts, pages 76 and 81, <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>

Taxes and transfers to reduce poverty not associated with less work



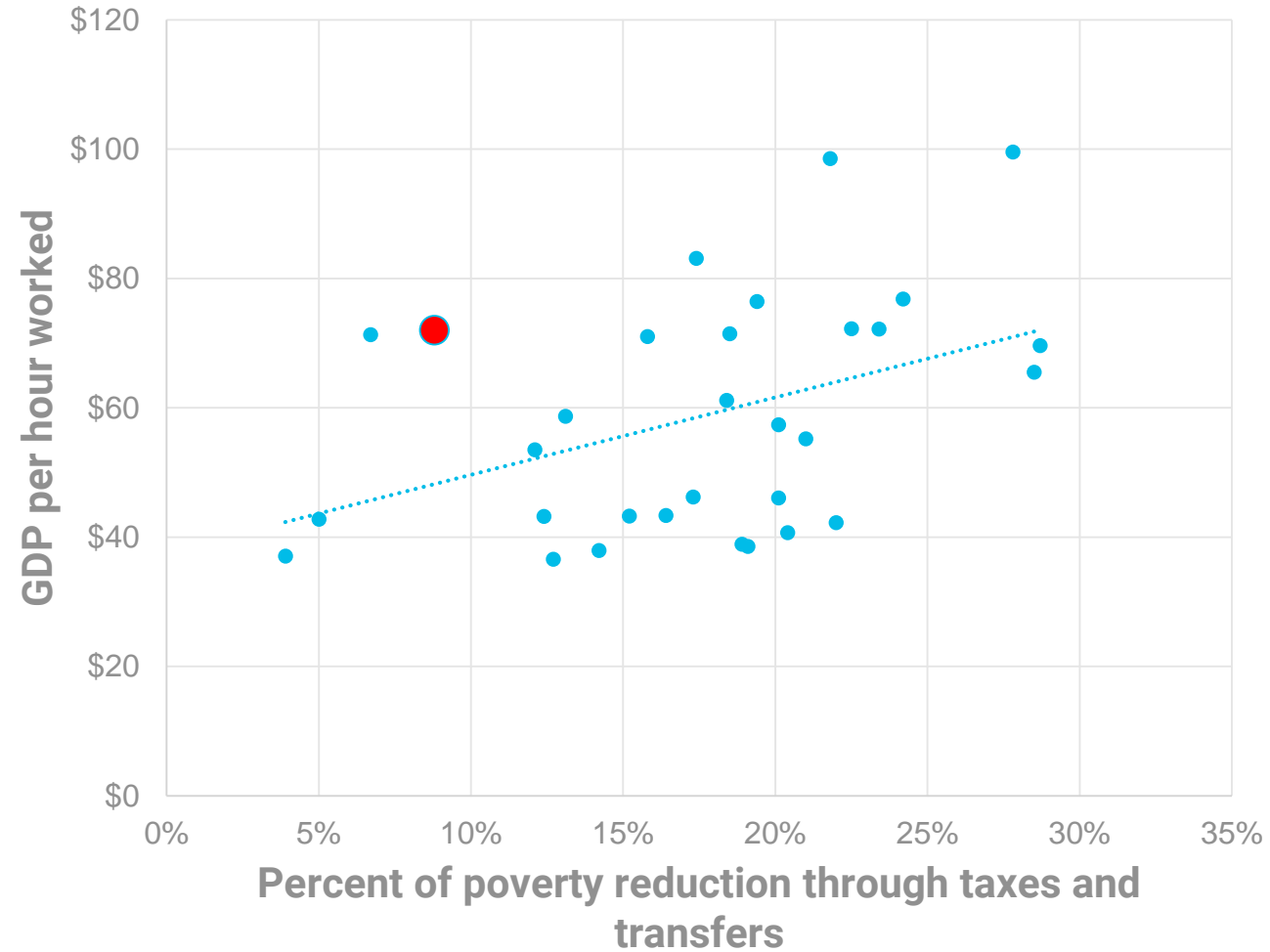
Sources:
 OECD prime age employment 2017 - <https://data.oecd.org/emp/employment-rate-by-age-group.htm#indicator-chart>
 OECD pre and post taxes and transfers, poverty line 50% - <https://stats.oecd.org/Index.aspx?DataSetCode=IDD>

Taxes and transfers to reduce poverty not associated with less work, correlation -0.04



Sources:
OECD prime age employment 2017 - <https://data.oecd.org/emp/employment-rate-by-age-group.htm#indicator-chart>
OECD pre and post taxes and transfers, poverty line 50% - <https://stats.oecd.org/Index.aspx?DataSetCode=IDD>

Taxes and transfers to reduce poverty not associated with less productivity



Sources:

OECD pre and post taxes and transfers, poverty line 50% - <https://stats.oecd.org/Index.aspx?DataSetCode=IDD>

OECD GDP per hour worked 2017 - https://stats.oecd.org/Index.aspx?DataSetCode=PDB_LV#

Families: WA families above average and improving

2012 to 2017:

Family stability increasing

- Divorce, domestic violence, and teenage pregnancy declined
- Percentage of children in married couple households increased - WA ranked #13
- Percentage of married couple households increased – WA ranked #14

Families: Children in married couple families

	2011	2018	Change 2011 to 2018	2018 Rank
Island	79%	79%	0%	1
King	73%	75%	2%	2
Snohomish	72%	74%	2%	3
Clark	69%	74%	5%	4
Benton	69%	73%	4%	5
Whatcom	71%	72%	1%	6
Grant	69%	72%	3%	7
Washington	70%	72%	2%	
Pierce	68%	71%	3%	8
Skagit	64%	71%	7%	9
Lewis	66%	71%	4%	10
Spokane	68%	71%	3%	11
Thurston	68%	70%	2%	12
Mason		70%		13
Chelan	64%	68%	4%	14
Grays Harbor	62%	68%	5%	15
Kitsap	70%	67%	-3%	16
United States	66%	66%	1%	
Franklin	67%	60%	-7%	17
Cowlitz	63%	59%	-4%	18
Yakima	65%	58%	-6%	19
Clallam	72%	56%	-16%	20

Source: Census Bureau ACS 1-Year Estimate, table B09005

Loss of old, substandard rental housing

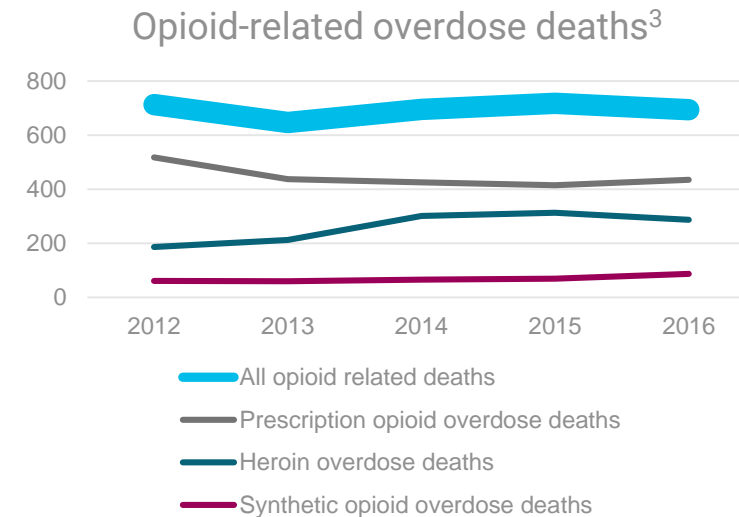


Alcohol and drug dependence: A mixed picture

Since 2012:

WA ranks 18th in substance use disorder ²

1. Alcohol use disorder declined, ranked 29th ²
2. Overall illicit drug dependence may be stable, ranked 11th ^{1, 2}
3. Ranked 13th in pain reliever use disorder, and 12th in heroin use ²
4. Opioids continue to be a crisis, WA ranks 32nd in prevalence of drug overdose deaths ⁴



Sources:

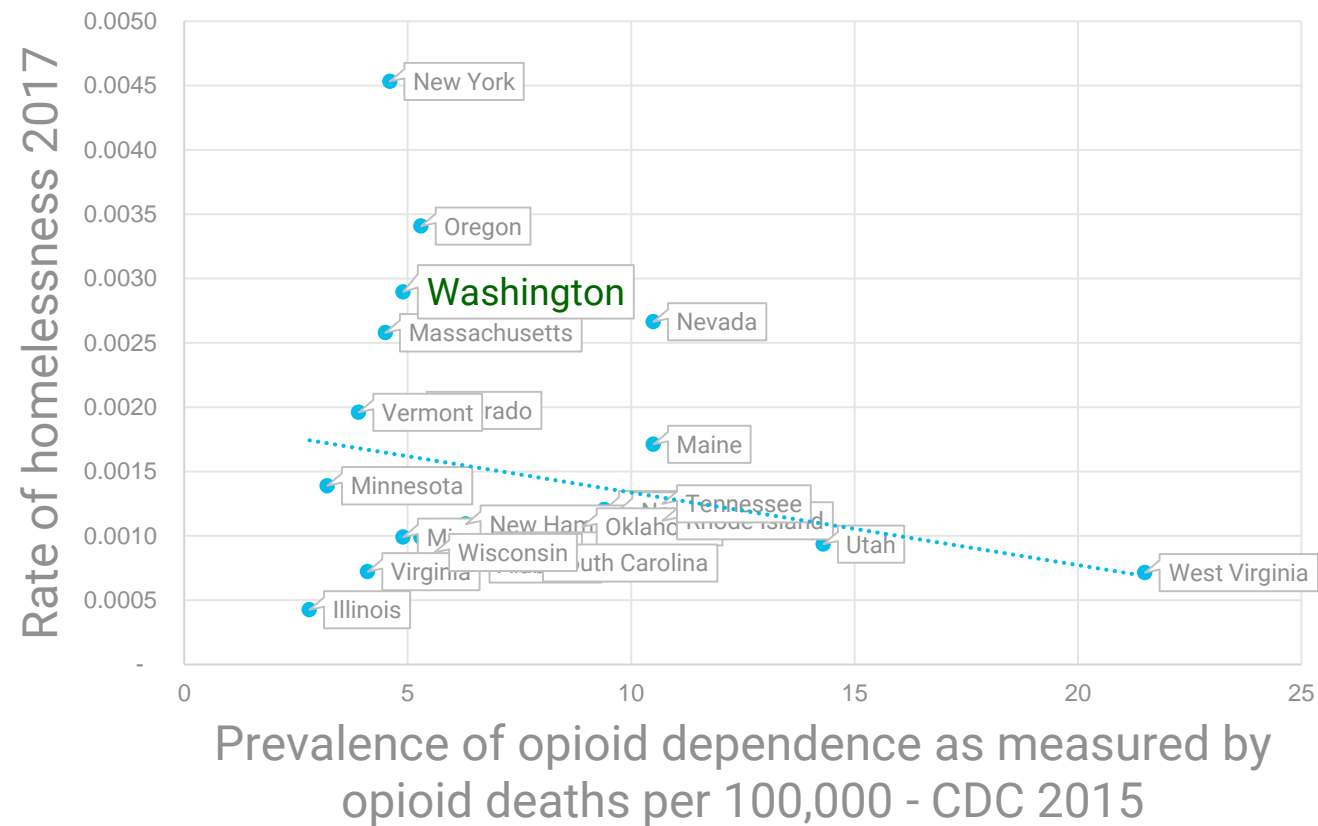
1 - SAMHSA, Center for Behavioral Health Statistics and Quality, National, Survey on Drug Use and Health, Table 106, Washington State, 2010-11 report compared to 2014 report

2 - Rank derived from 2015-2016 National Survey on Drug Use and Health: Model-Based Prevalence Estimates 50 States; trend derived from National Survey on Drug Use and Health: Comparison of 2008-2009 and 2014-2015 Population Percentages 50 States

3 - DOH: <https://www.doh.wa.gov/Portals/1/Documents/Pubs/346-083-SummaryOpioidOverdoseData.pdf>

4 - CDC: <https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>

Relationship between prevalence of opioid use and homelessness

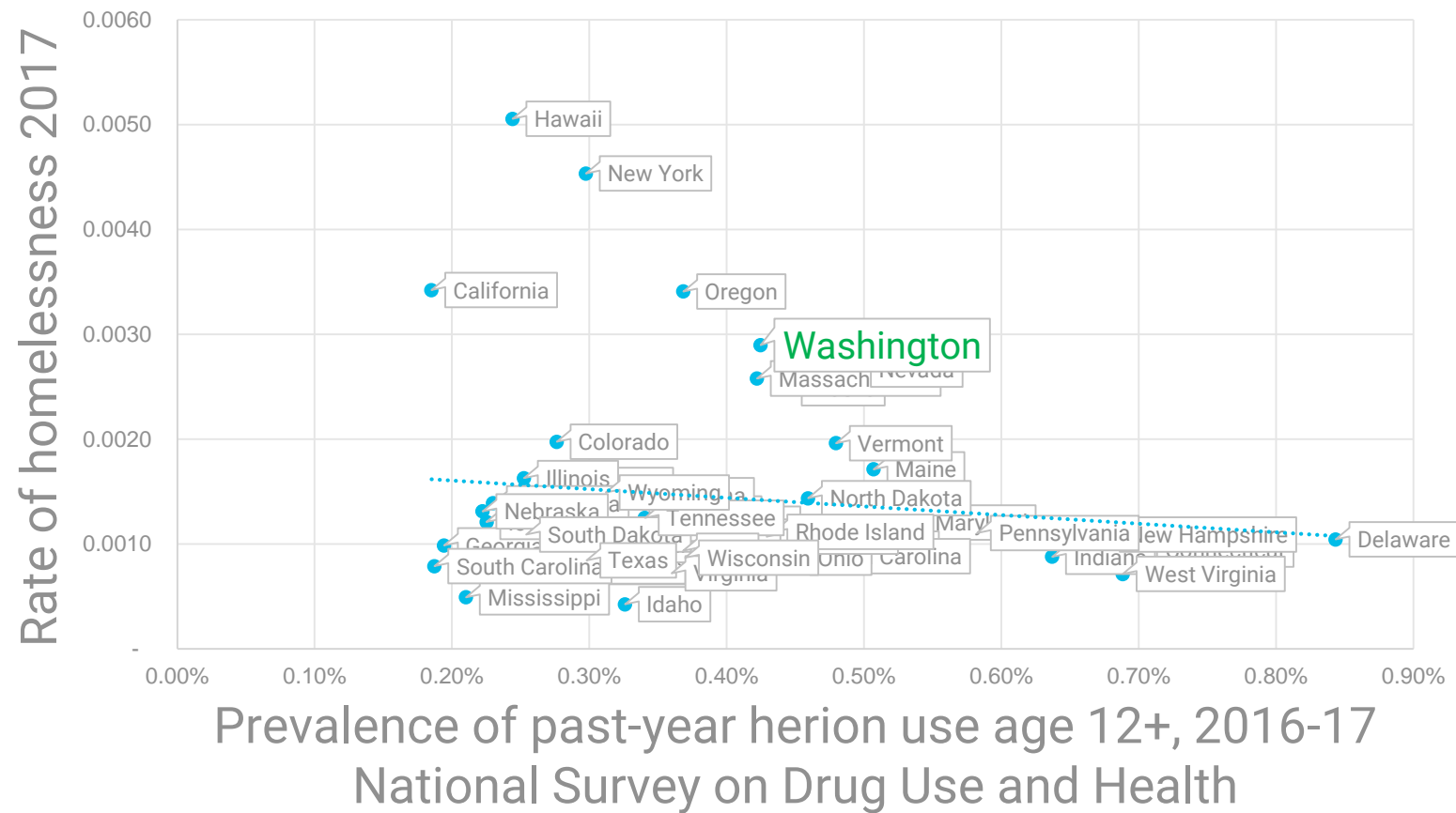


Sources:

Increases in Drug and Opioid-Involved Overdose Deaths – United States, 2010-2015: <https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>

HUD Annual Homeless Assessment Report AHAR: <https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports>

Relationship between prevalence of opioid use and homelessness



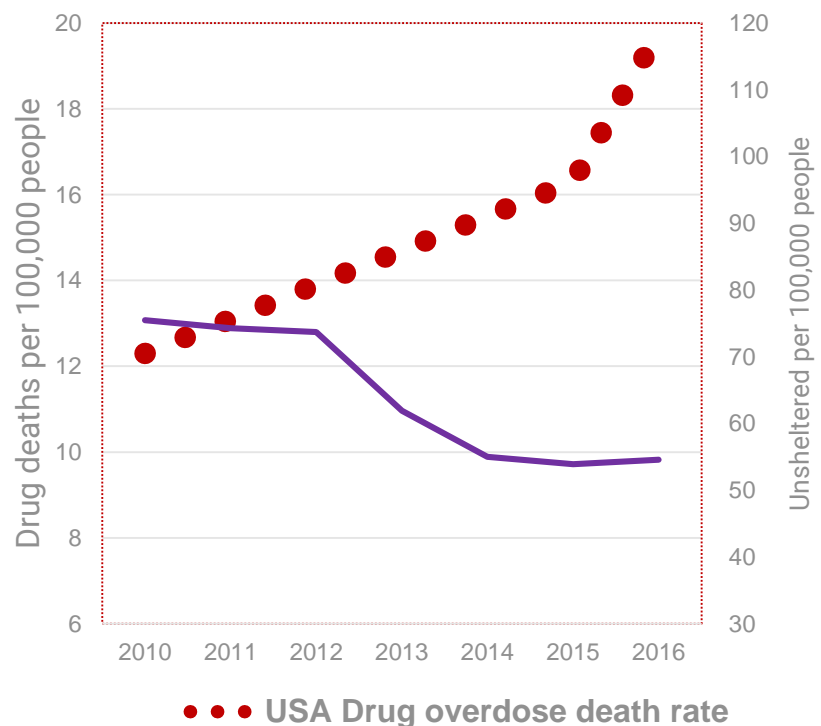
Sources:

2016-17 NSDUH: <https://www.samhsa.gov/data/report/2016-2017-nsduh-state-prevalence-estimates>

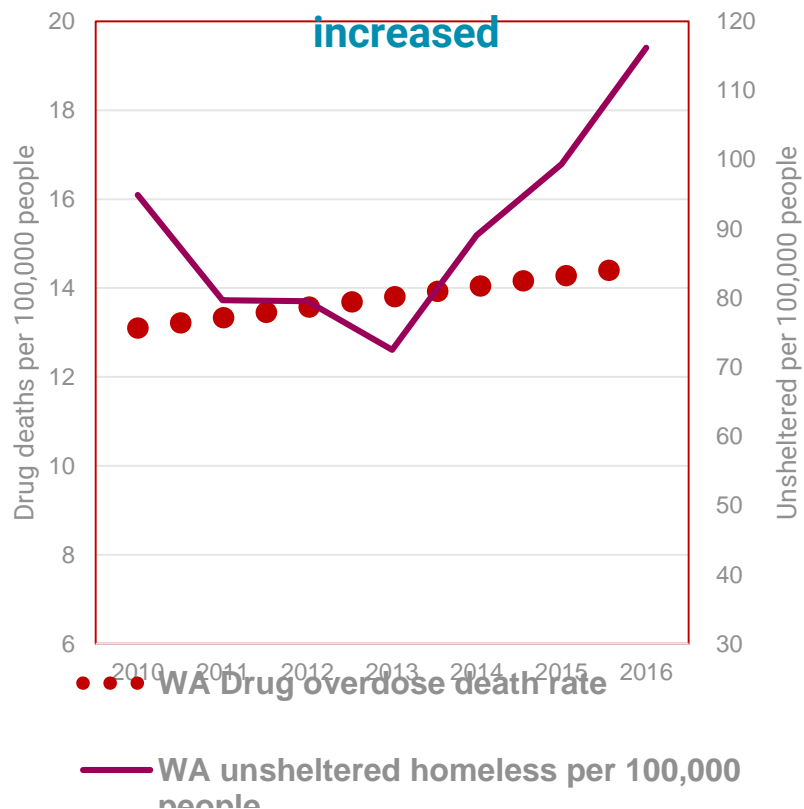
HUD Annual Homeless Assessment Report AHAR: <https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports>

Drug and homelessness trends – USA vs. WA

USA: Drug overdose deaths increased, unsheltered homelessness decreased



WA: Drug overdose deaths increased less than in US, unsheltered homelessness increased



Sources:

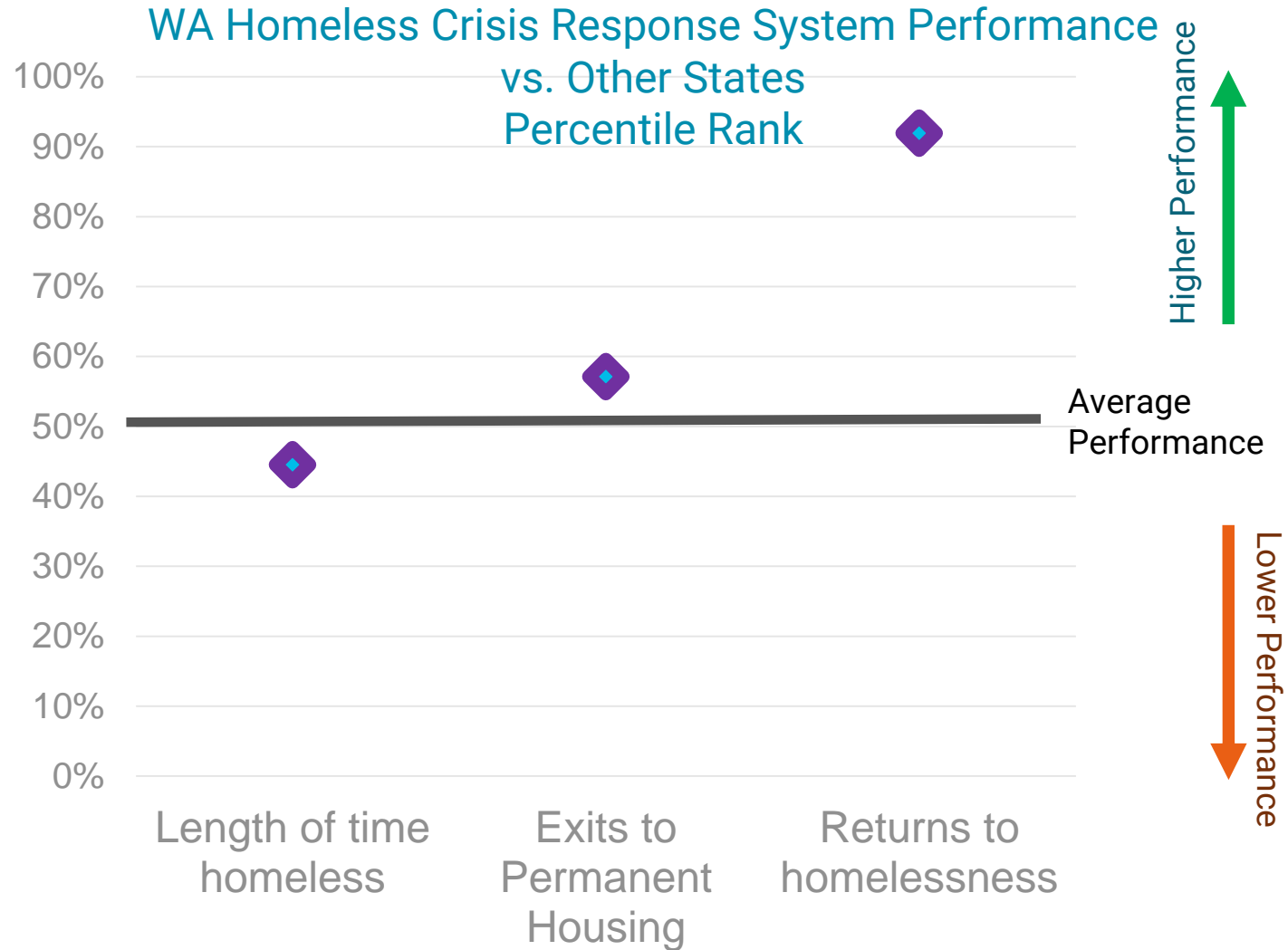
Drug Overdose Deaths in the United States, 1999-2016: <https://www.cdc.gov/nchs/products/databriefs/db294.htm>

Increases in Drug and Opioid-Involved Overdose Deaths – United States, 2010-2015: <https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>

Drug Overdoses Death Data: <https://www.cdc.gov/drugoverdose/data/statedeaths.html>

HUD Annual Homeless Assessment Report AHAR: <https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports>

WA Homeless Crisis Response System Performance: Above Average



Sources: 2017 Data <https://www.hudexchange.info/resource/5691/system-performance-measures-data-since-fy-2015/>

WA Homeless Crisis Response System Performance: Ranked 9th

	Length of time homeless, percentile rank (higher is better)	Exits to permanent housing, percentile rank (higher is better)	Returns to homelessness, percentile rank vs. other states (higher is better)	Combined percentile rank (higher is better)	Rank
TN	70%	88%	90%	83%	1
LA	67%	90%	84%	80%	2
MT	22%	100%	100%	74%	3
ID	56%	78%	88%	74%	4
PA	37%	82%	86%	68%	5
VT	26%	98%	80%	68%	6
VA	74%	69%	59%	68%	7
OH	82%	92%	25%	66%	8
WA	45%	57%	92%	65%	9
NM	87%	29%	65%	60%	10
IN	59%	61%	55%	59%	11
WI	80%	84%	12%	59%	12
AR	83%	24%	67%	58%	13
WV	89%	80%	6%	58%	14
MI	91%	76%	8%	58%	15
MD	32%	65%	78%	58%	16
SC	54%	47%	69%	57%	17
NH	30%	63%	74%	55%	18
NC	41%	67%	57%	55%	19
GA	33%	53%	76%	54%	20
NY	58%	71%	31%	53%	21

Sources: 2017 Data <https://www.hudexchange.info/resource/5691/system-performance-measures-data-since-fy-2015/>

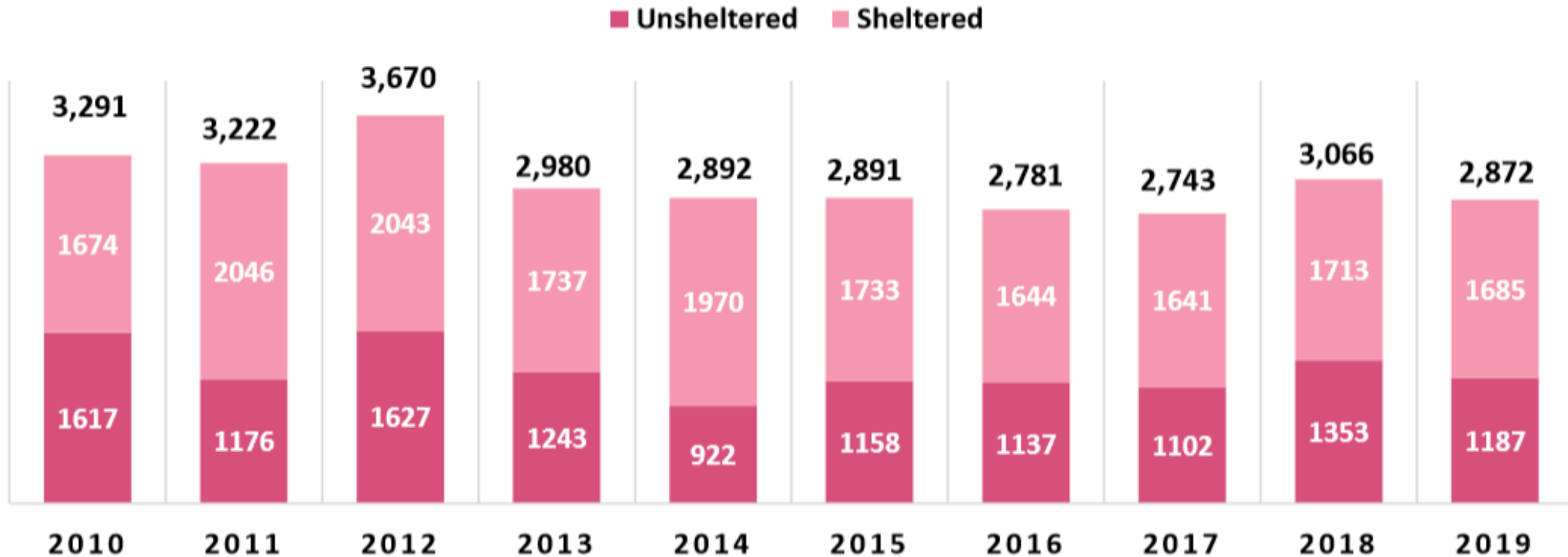
San Antonio Homeless Crisis Response vs WA

	Percent with Successful ES, TH, SH, PH-RRH Exit	Percent Returns in 24 mths (should include both the 6- and 12-month cohort)	Net Successful
San Antonio/Bexar County CoC	42%	25%	31%
Seattle/King County CoC	34%	14%	29%
Washington Balance of State CoC	47%	11%	42%
Spokane City & County CoC	53%	15%	45%
Tacoma, Lakewood/Pierce County CoC	40%	14%	34%
Everett/Snohomish County CoC	42%	8%	39%
Vancouver/Clark County CoC	45%	20%	36%

Source: HUD AHAR 2017 <https://www.hudexchange.info/programs/coc/system-performance-measures/#data>

San Antonio Homeless Crisis Response

PERSONS COUNTED EXPERIENCING HOMELESSNESS IN POINT-IN-TIME COUNTS (PIT)

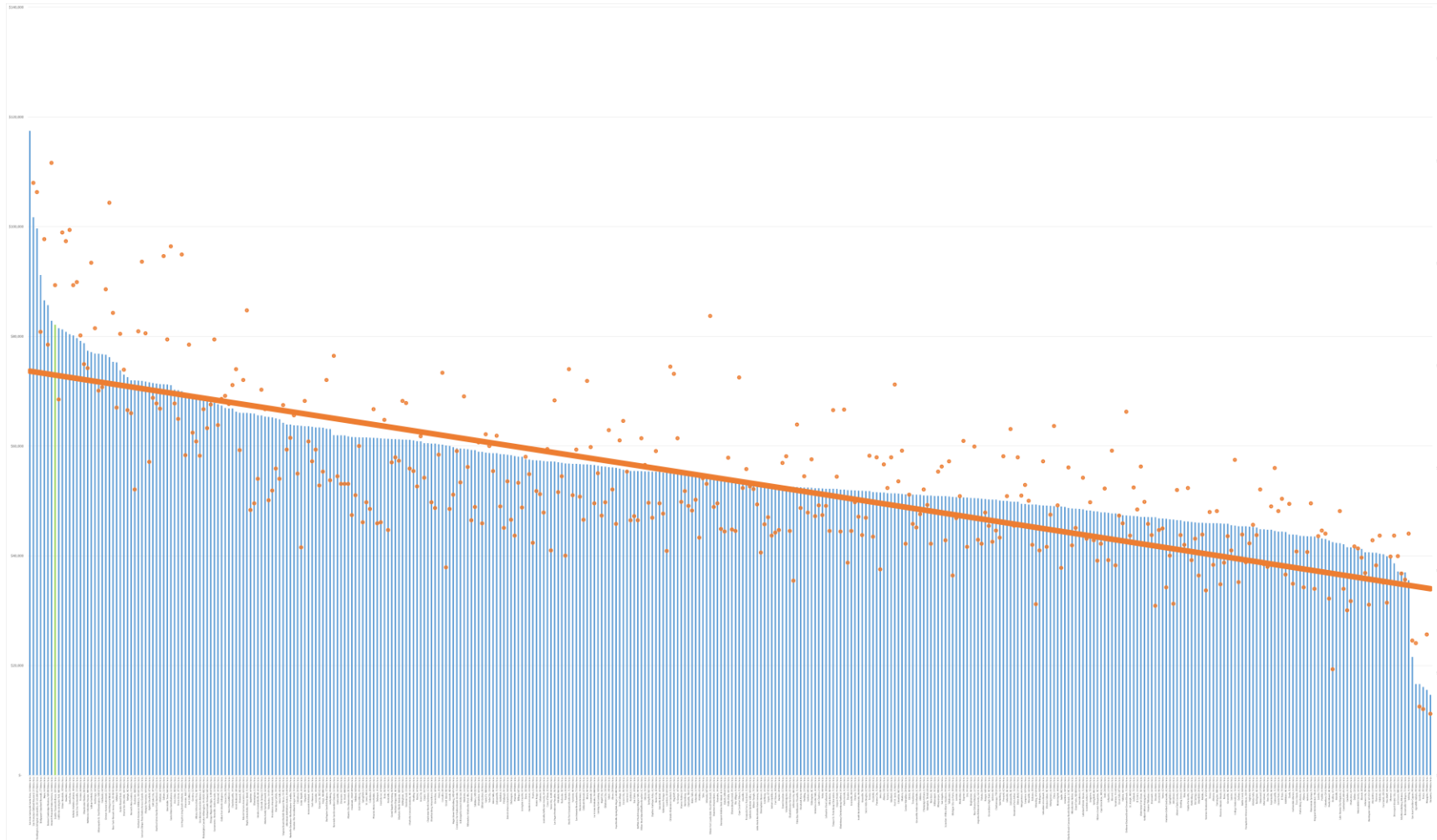


Source: South Alamo Regional Alliance for the Homeless https://www.sarahomeless.org/wp-content/uploads/2019/05/2019-PIT-Report_Digital-Copy.pdf

The background is a solid teal color. In the center, there is a white horizontal line. Above and below this line are several overlapping, white-outlined shapes that resemble stylized leaves or petals, arranged in a circular pattern. The text "Why are rents increasing?" is written in a white, serif font, centered horizontally and positioned just above the white line.

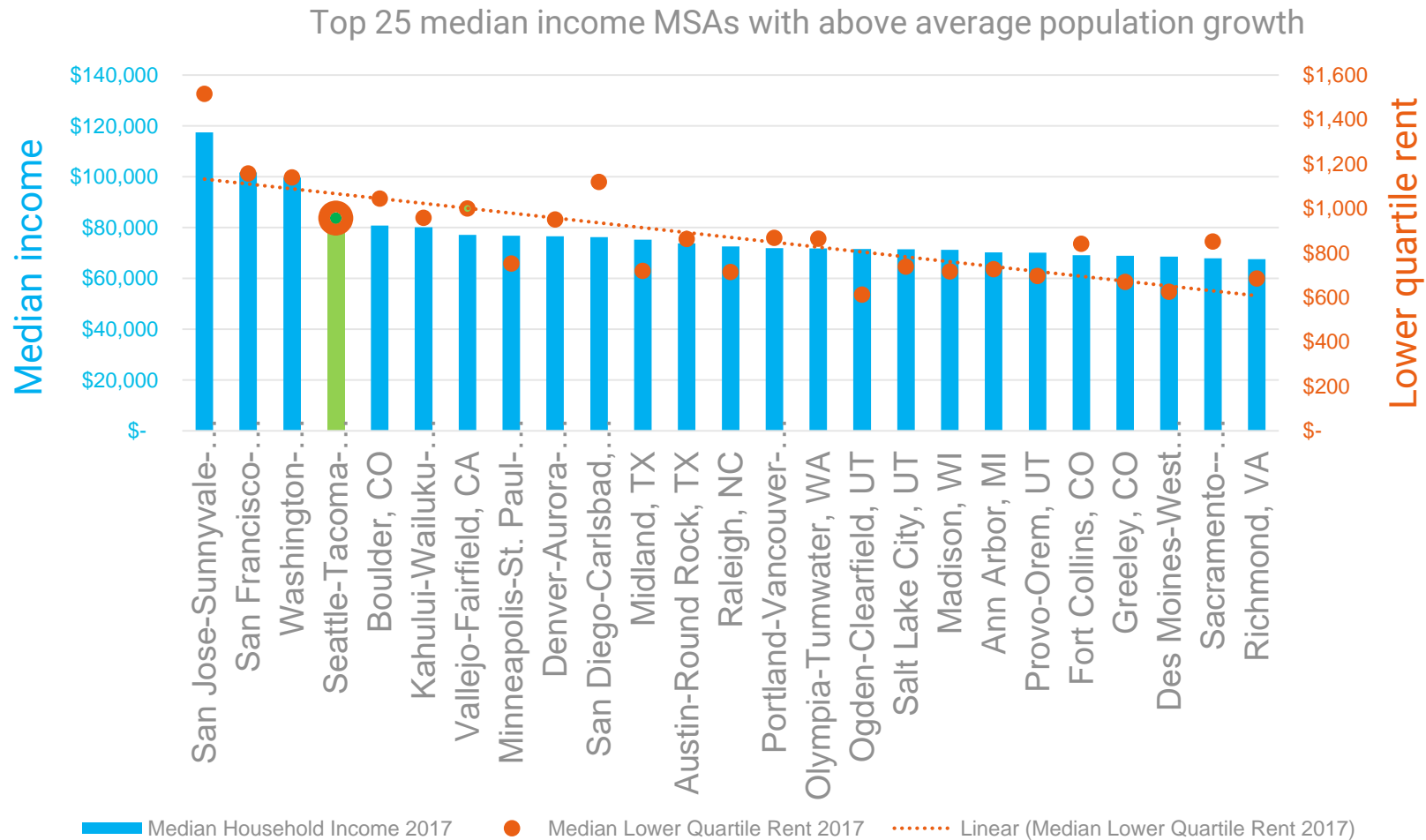
Why are rents increasing?

Higher incomes associated with higher rents: 0.83 correlation all MSAs income vs. lower quartile rents



Source: American Community Survey 1-Year Estimates

Higher incomes associated with higher rents – 0.87 correlation growing high income MSAs



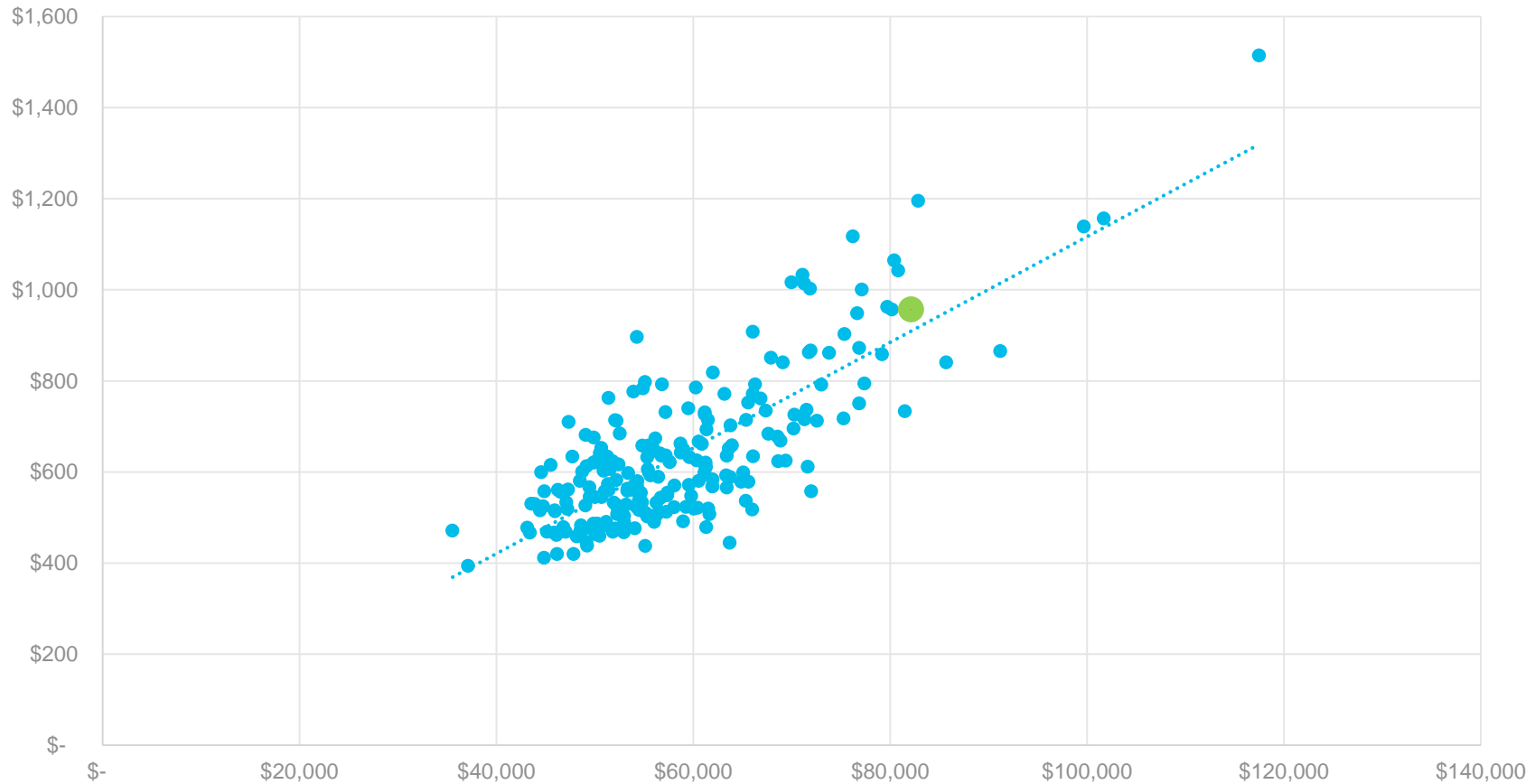
Source: American Community Survey 1-Year Estimates

Higher incomes associated with higher rents:

Portland-Vancouver-Hillsboro, OR-WA MSA income vs. rent

	Median household Income	Median contract rent	Rent matching national average rent to income ratio	Difference
Portland-Vancouver-Hillsboro, OR-WA	\$71,931	\$1,118	\$982	-9% (-\$136)

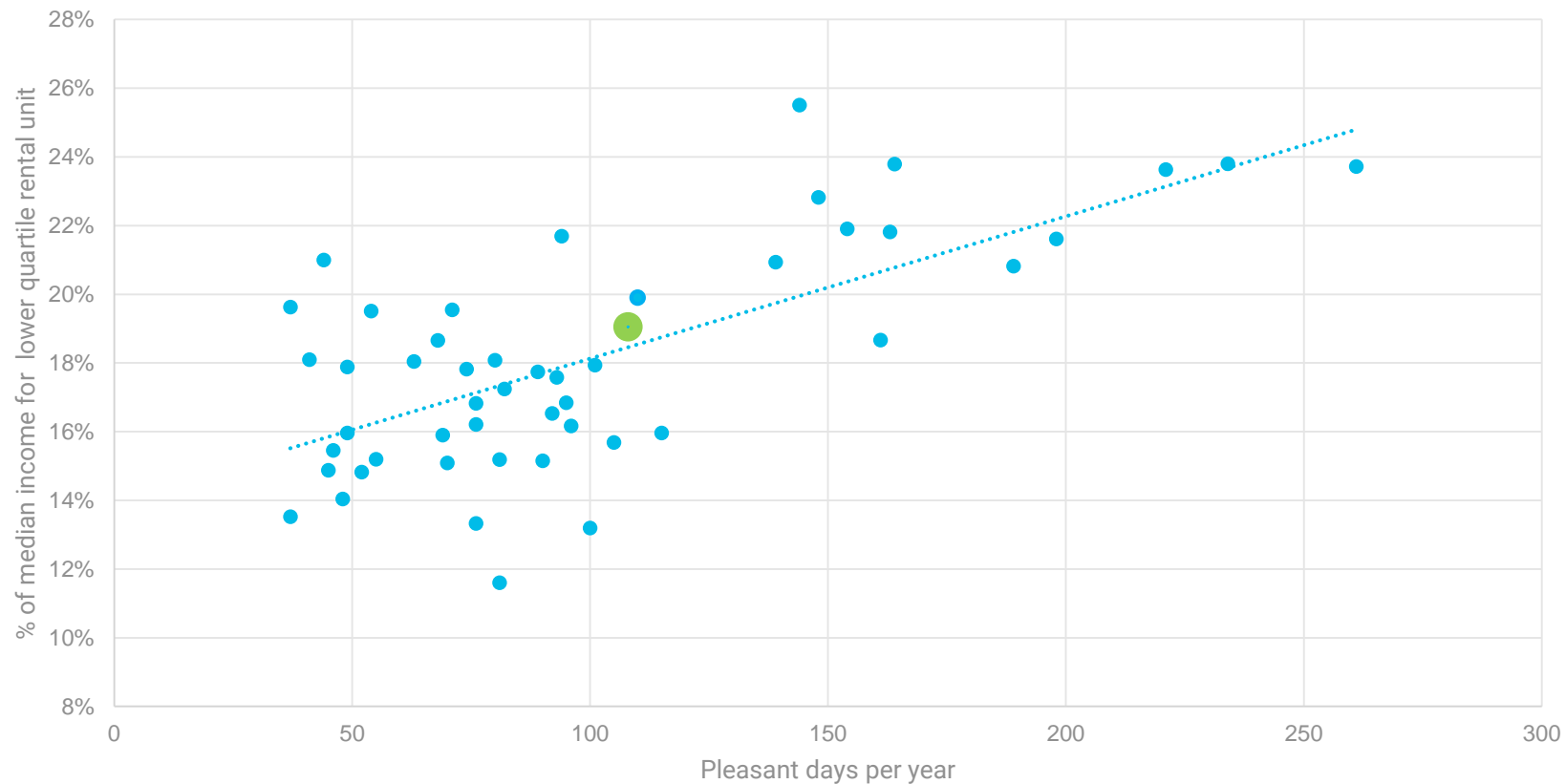
Lower quartile rents strongly associated with median incomes – 0.80 correlation above average growth MSAs



Source: American Community Survey 1-Year Estimates, 2017

Variation in % of income for rent partially explained by quality of weather: 0.60 correlation

Seattle-Tacoma-Bellevue MSA lower quartile rent +2% higher than would be predicted by quality of weather

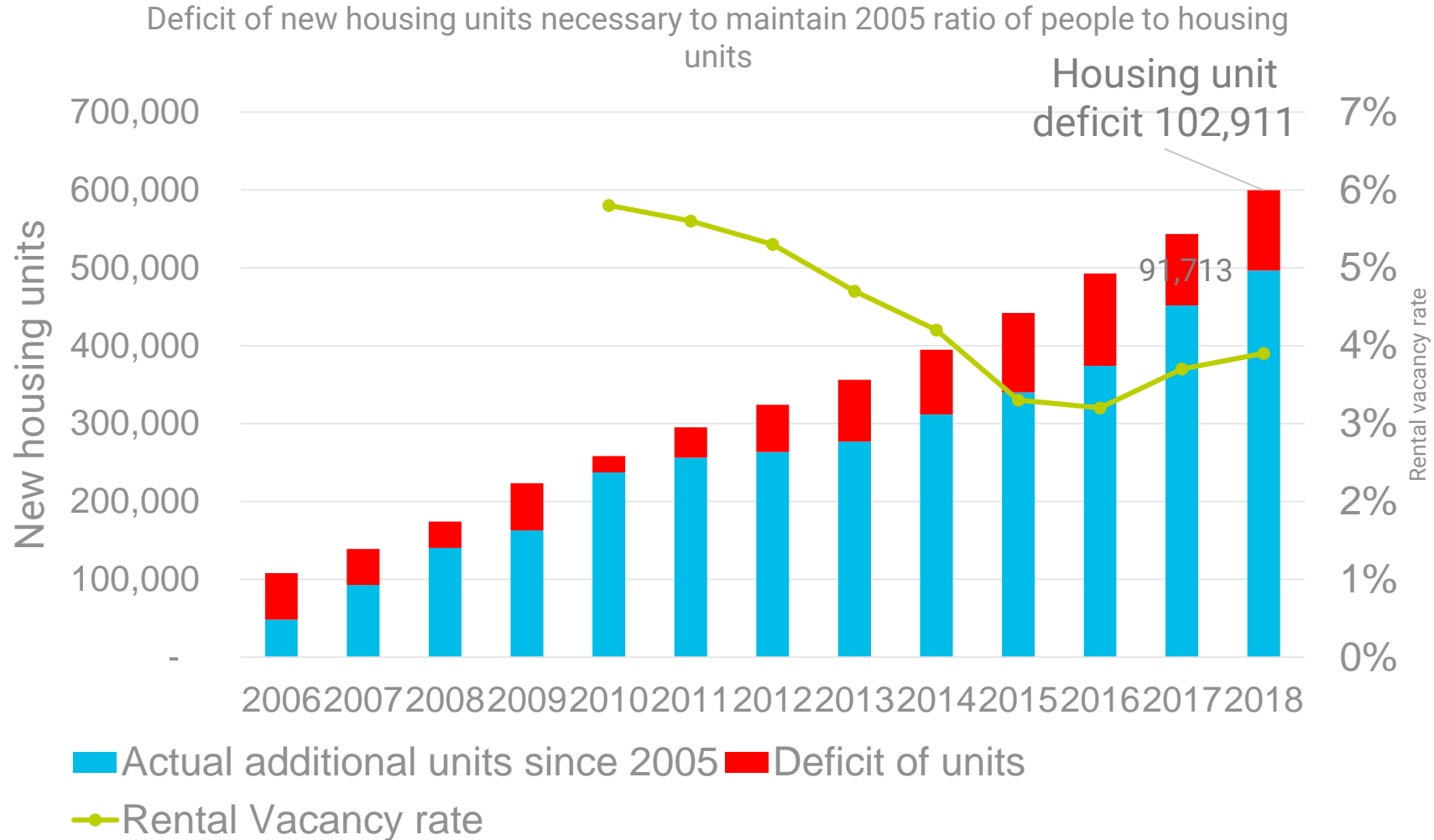


Sources:

American Community Survey 1-Year Estimates

Zillow Pleasant Days, <https://www.zillow.com/research/pleasant-days-methodology-8513/>

Since 2005 in WA: Population +23%, Housing units +19%



Source: American Community Survey 1-Year Estimates
http://factfinder.census.gov/faces/tables/services/jsf/pages/productview.xhtml?pid=ACS_14_1YR_DP04&prodType=table
https://factfinder.census.gov/faces/tables/services/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B25001&prodType=table
https://factfinder.census.gov/faces/tables/services/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0101&prodType=table

Since 2010 in Thurston: Population +13% Housing units +9%

	2010	2018	% Change
People	253,087	286,419	13%
Housing Units	108,458	117,860	9%

"Missing" housing units
4,882

	2014	2015	2016	2017	2018
TOTAL Housing units	111,797	112,535	113,314	116,820	117,860
Housing units added each year	1,396	738	779	3,506	1,040

Source: American Community Survey 1-Year Estimates
http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_DP04&prodType=table
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B25001&prodType=table
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0101&prodType=table

WA rental vacancy lowest in the US in 2017 ¹

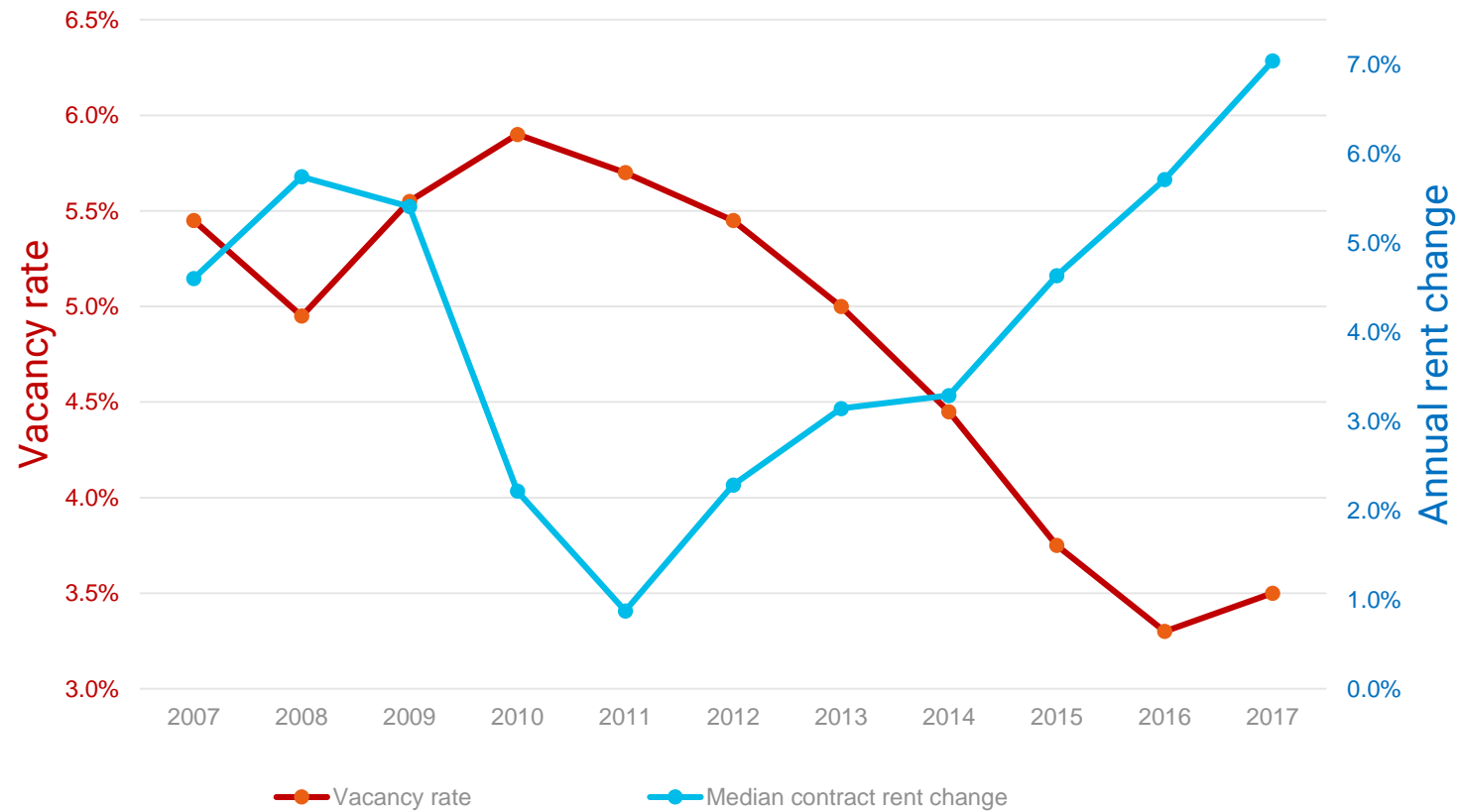
	2010	2012	2014	2015	2016	2017	2018
United States	8.2%	6.8%	6.3%	5.9%	5.9%	6.2%	6.1%
California	5.9%	4.5%	3.9%	3.3%	3.3%	3.5%	4.0%
Massachusetts	5.8%	4.5%	4.0%	3.5%	4.0%	3.9%	3.6%
Oregon	5.6%	4.7%	3.6%	3.6%	3.2%	3.8%	4.4%
Texas	10.6%	8.5%	7.3%	7.0%	7.7%	8.5%	8.2%
Washington	5.8%	5.3%	4.2%	3.3%	3.2%	3.7%	3.9%
Clark County	8.2%	3.4%	2.4%	2.2%	3.0%	3.7%	3.2%
Clallam County	11.4%	11.3%	6.1%	3.5%	1.8%	3.2%	1.6%
King County	5.2%	4.1%	2.5%	2.6%	2.7%	3.5%	3.9%
Pierce County	6.6%	5.4%	5.7%	3.3%	2.0%	4.7%	3.7%
Skagit County	5.5%	9.3%	1.3%	1.9%	5.6%	1.7%	0.9%
Spokane County	4.0%	7.2%	5.5%	3.7%	3.7%	2.4%	3.7%
Yakima County	3.1%	4.5%	5.1%	3.6%	2.2%	2.3%	4.4%
Whatcom County	3.9%	5.5%	4.1%	1.8%	1.8%	2.6%	2.1%
Thurston County	4.0%	5.5%	5.9%	3.5%	4.7%	4.3%	4.2%
Seattle	4.0%	3.5%	1.2%	2.7%	2.5%	3.9%	
San Francisco	4.4%	2.8%	2.5%	2.5%	3.0%	3.5%	
Atlanta	16.4%	8.6%	9.3%	6.6%	6.4%	7.6%	
Houston	15.9%	11.2%	7.2%	7.7%	7.7%	10.4%	

A vacancy rate between 5% and 7% is considered the balanced, or “natural” rate ²

Sources: American Community Survey 1-Year Estimates, Table DP04
 1 – U.S. Census Bureau Vacancy and Homeownership rates by State
 2 - <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w07-7.pdf>
http://pages.jh.edu/jrer/papers/pdf/past/vol32n04/03.413_434.pdf

Vacancy rates and rent increases are inversely related

Relationship between vacancies and rents - WA



Source: American Community Survey 1-Year Estimates, two year running average

President's Council of Economic Advisors: Drivers of Variation in Homelessness Across the United States

The Price of Housing

The Tolerability of Sleeping on the Street

“...warm climates enable, but do not guarantee, high rates of unsheltered homelessness.”

“...differences in city ordinances and policing practices, as these policies would directly affect the tolerability of living on the street....”

Source: President's Council of Economic Advisors, State of Homelessness in America
<https://www.whitehouse.gov/wp-content/uploads/2019/09/The-State-of-Homelessness-in-America.pdf>

President's Council of Economic Advisors: Drivers of Variation in Homelessness Across the United States (continued)

The Supply of Homeless Shelters

“Expanding the supply of homeless shelters shifts the demand for homes inward and increases [sheltered] homelessness.”

Individual-Level Factors

“Severe mental illness, substance abuse problems, histories of incarceration, low incomes, and weak social connections each increase an individual’s risk of homelessness, and higher prevalence in the population of these factors may increase total homelessness.

...lifetime incidence of homelessness is reduced by 60 percent for individuals with strong ties to family, religious communities, and friends.”

[The report provides no evidence of variations in homelessness between communities associated with these “individual-level factors”]

Source: President's Council of Economic Advisors, State of Homelessness in America
<https://www.whitehouse.gov/wp-content/uploads/2019/09/The-State-of-Homelessness-in-America.pdf>

What works to reduce homelessness?

What does not apparently meaningfully reduce homelessness

- Increasing earned income through **welfare to work, work training, employment navigation** – Does increase earned income ¹
- **Treatment for behavioral health illnesses** such as substance use disorders and depression – Does reduce use/dependence ² - May help a person retain subsidized housing
- Housing linked to more intensive **services intended to improve self-sufficiency** ³

Sources:

1 - The most successful welfare to work program in the study increased annual income from by \$374 per year (page 137)
No program produced a positive reduction in participants living in “Other housing,” which includes temporary housing and homelessness (page 189)
https://www.mdrc.org/sites/default/files/full_391.pdf

2 - Treatment for major depression increased lifetime earnings by \$1,523 (about +\$51 in annual earnings assuming 30 years of work post treatment).
<http://www.wsipp.wa.gov/BenefitCost/Program/494>

The multi-site adult drug court evaluation: The impact of drug courts, Urban Institute, Justice Policy Center. “We found no differences in the rates of homelessness and in the average level of interest in receiving housing services between the drug court and comparison groups. These results remained stable between the 6- and 18-month marks.”

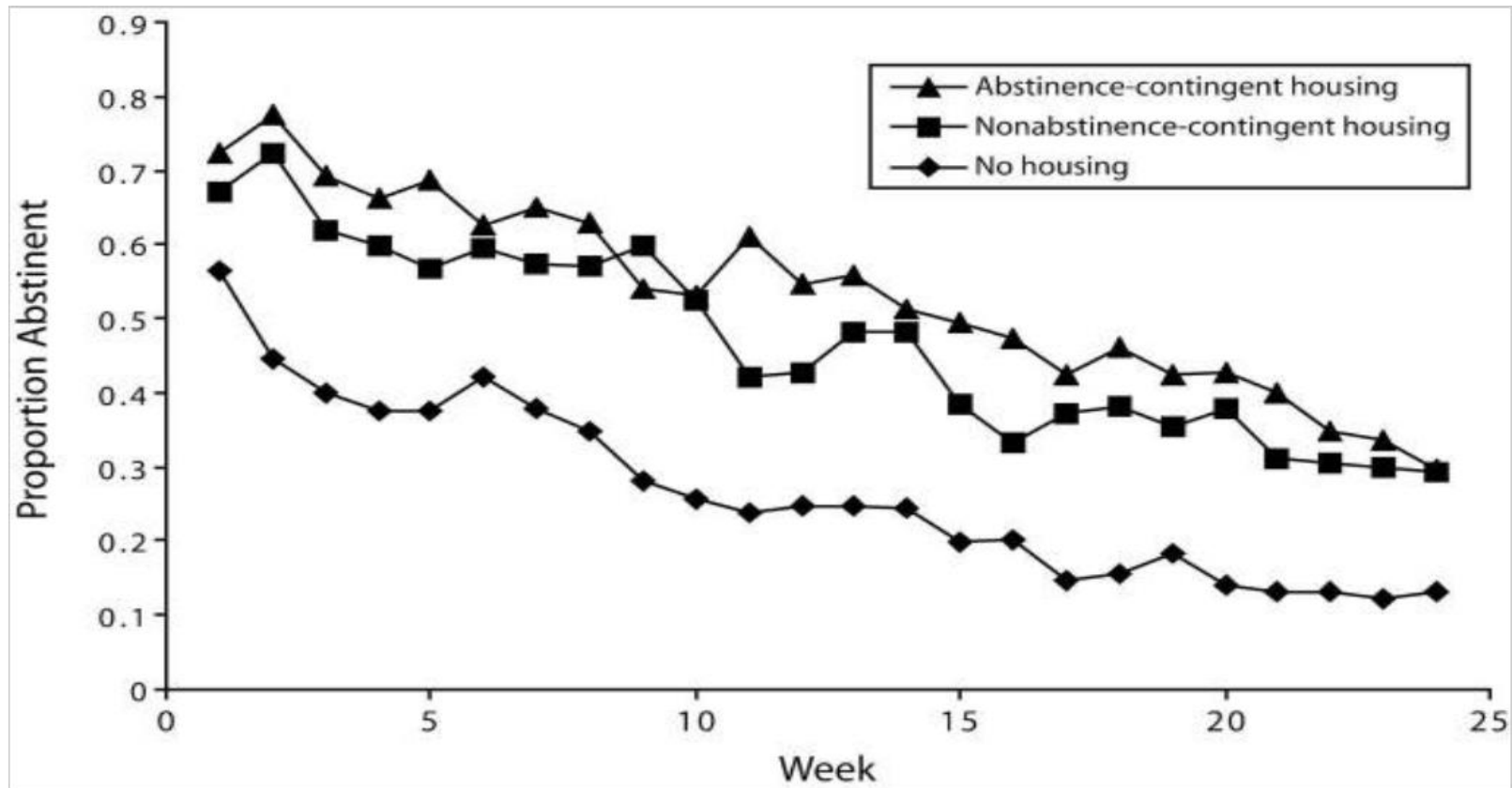
<https://www.urban.org/sites/default/files/publication/27381/412357-The-Multi-site-Adult-Drug-Court-Evaluation-The-Impact-of-Drug-Courts.PDF>

Washington State Medication Assisted Treatment – Prescription Drug and Opioid Addiction Project, Preliminary Outcomes through Year Two, April 2019
<https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-4-102.pdf>

3 - Family Options Study 3-Year Impacts on Housing and Services Interventions for Homeless Families, October 2016, page 72.

What does not apparently meaningfully reduce dependence

Abstinence-contingent housing:



What does not apparently meaningfully reduce homelessness

Treatment tied to the threat of incarceration for non-participation (Drug Courts):

Reduces at 18th month:

- Any drug use 17 percentage points (28% vs. 45%)
- Serious drug use by 8 percentage points (17% vs. 28%)
- Heavy alcohol by 10 percentage points (13% vs. 23%)
- Heroin use by 0% (2% vs. 2%)

No significant improvement in:

- Employment rates
- Income
- Depression
- Homelessness

What does not apparently meaningfully reduce homelessness

Medication assisted treatment for opioid use disorder saves lives, increases employment, etc.:

- Does not significantly reduce homelessness or housing instability

Source: Washington State Medication Assisted Treatment – Prescription Drug and Opioid Addiction Project, Preliminary Outcomes through Year Two, April 2019 <https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-4-102.pdf>

Prediction vs. reality of rents and related homelessness in Washington

If WA rents matched national income/rent correlation

AND

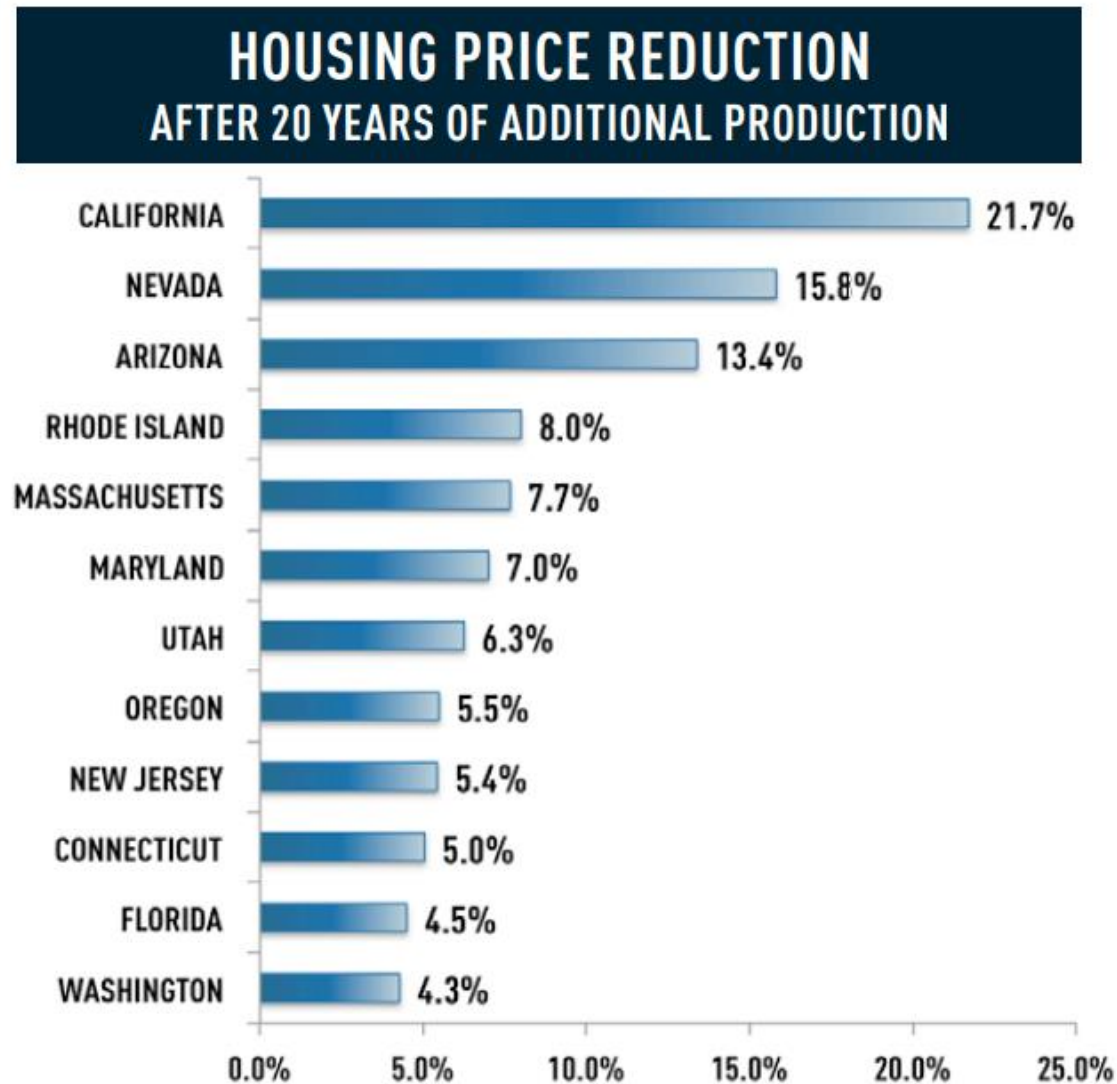
WA homelessness matched rent/homelessness correlation

WA homelessness would be:

-27%

0.21% of population

Model of increased unit production: Housing Prices -4.3%



Source: Smart Growth scenario, page 19, https://www.upforgrowth.org/sites/default/files/2018-09/housing_underproduction.pdf

Model of “incremental pro-housing polices”: Citywide rent -6%

Assuming the following deregulation in the City of Seattle:

FIGURE 5: SCENARIO – INCREMENTAL PRO-HOUSING POLICIES

Rent Shift	-8%	(\$190)
CURRENT CONDITIONS RENT	\$2,460	POLICY SHIFTS
Parking Costs	-\$10	Parking ratio reduced from 0.7 to 0.5 spaces per apartment
Open Space Requirements	-\$36	15% Open Space Requirement (from 20%)
State Real Estate Excise Tax	-\$9	No Real Estate Excise Tax at sale (from 1.3%)
Annual Property Tax Increase	-\$42	2% Annual Tax Increase (from 4%)
MHA Fees	-\$5	MHA fees reduced to \$6 psf (from \$10)
Timeline Cost	-\$88	6 month total permitting process (from 18 months)
RESULTING RENT	\$2,270	

Citywide rent one-bedroom unit: \$2,351 -> \$2,209 (-6%)
 New project rent one-bedroom: \$2,460 -> \$2,270 (-8%)

Source: Up For Growth, [HOUSING POLICY AND AFFORDABILITY CALCULATOR](#), page 8

President's model of deregulation: Rent -23%

Table 2. Reduction in Rental Home Prices and Homelessness from Deregulating Housing Markets, by Metropolitan Area

Metropolitan area	Percent change in rent	Current homeless population	Change in homeless population	Percent change in homeless population
San Francisco	-55%	16,920	-9,133	-54%
Honolulu	-51%	4,495	-2,262	-50%
Oxnard	-41%	1,308	-519	-40%
Los Angeles	-41%	57,720	-22,861	-40%
San Diego	-39%	8,576	-3,280	-38%
Washington	-37%	11,172	-4,006	-36%
Boston	-27%	13,587	-3,566	-26%
Denver	-25%	5,317	-1,296	-24%
New York	-23%	92,024	-20,768	-23%
Seattle	-23%	14,598	-3,237	-22%

“What community should we emulate to get low rents?”

Houston and Dallas are often offered as examples, but their lower quintile rent/median income ratios are 13.1% and 13.2% respectively.

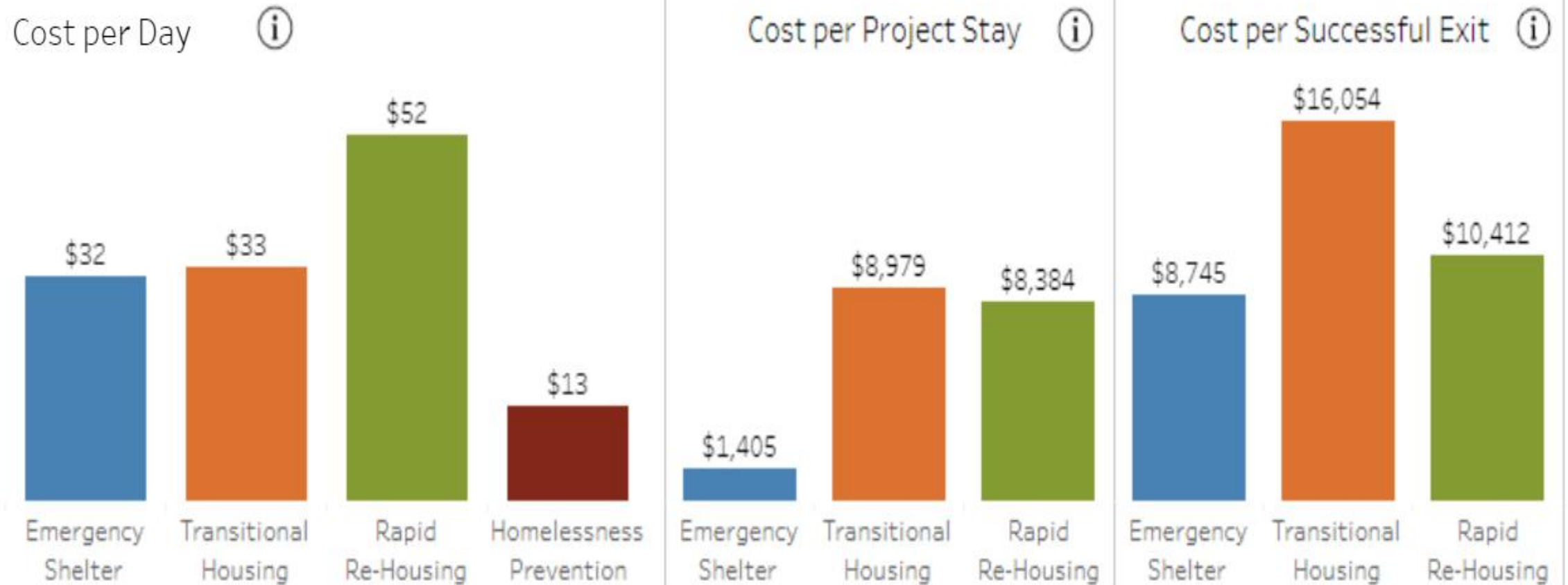
King-Snohomish-Pierce lower quintile rents are 14.0%, or \$957/month.

13.1% in King-Snohomish-Pierce would be \$890/month (-6%, -\$60; about one year of rent inflation).

Housing works

- Subsidized housing reduces homelessness
- Base level of other services critical...some people need services to obtain and maintain subsidized housing
- ...but extra services alone don't seem to reduce homelessness

What works: Temporary housing or rent assistance for people who are unsheltered



Source: WA Homeless Report Card 2019
<https://public.tableau.com/profile/comhau#!/vizhome/WashingtonStateHomelessSystemPerformanceCountyReportCardsSFY2018/ReportCard>

What works: Permanent supportive housing

Some (not most) people living unsheltered need behavioral health and other supports to remain stably housed (a subsidy alone is not sufficient)

- 77% to 96% remain housed

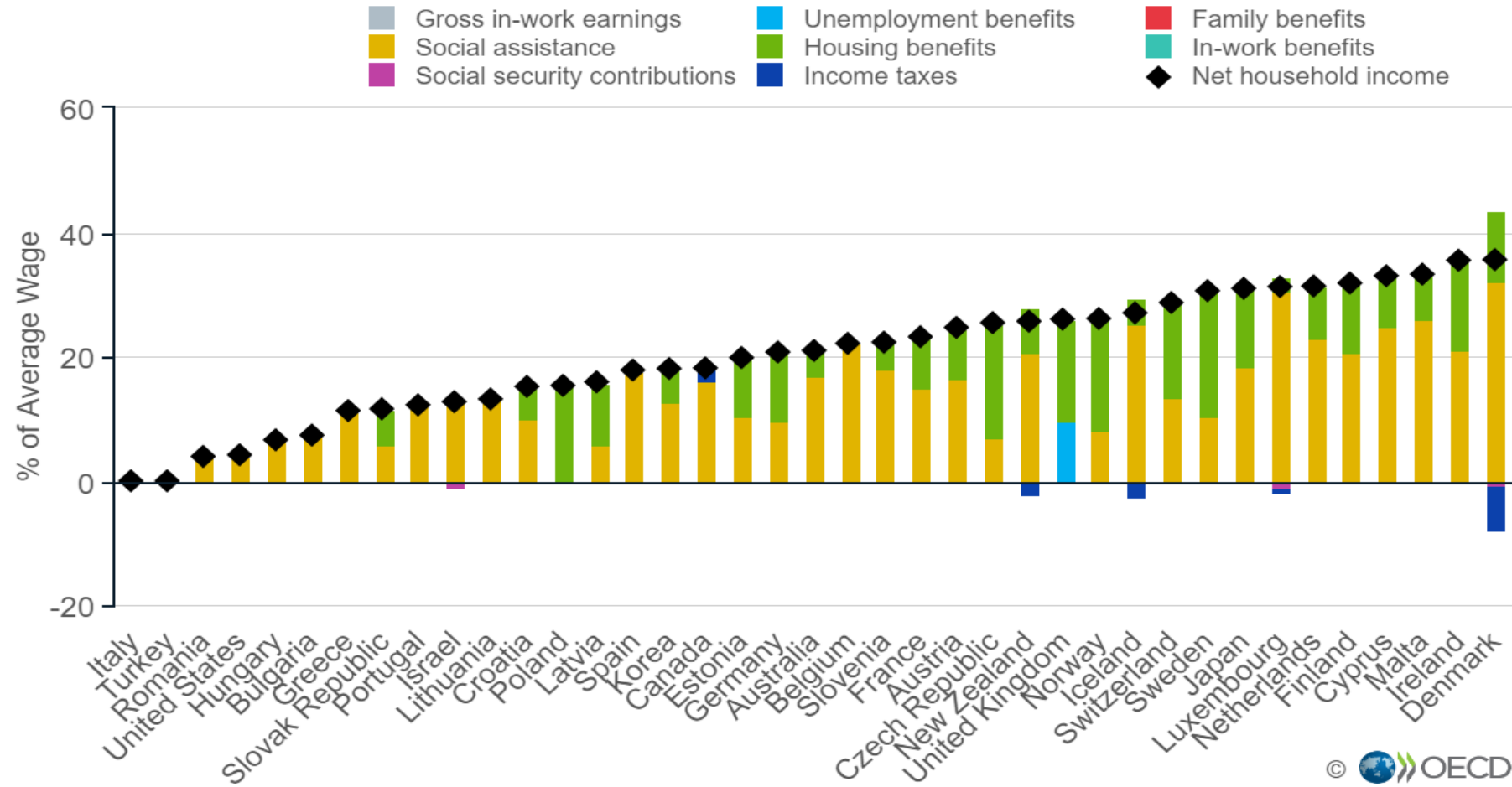
King County vs. places with extensive subsidized housing or shelter

	% unsheltered	vs. King County	Unsheltered	Population
King County	0.24%		5,288	2,189,000
London	0.02%	-91%	3,103	14,187,146
Vancouver	0.03%	-88%	659	2,197,900
Dublin	0.01%	-96%	128	1,345,402
Sydney	0.01%	-97%	373	4,627,000
New York	0.04%	-82%	3,675	8,623,000
Minneapolis	0.06%	-77%	709	1,252,000
Montreal	0.02%	-93%	678	4,098,927

Income of single person with no work history

Net income by country, 2018

Single adult with no children



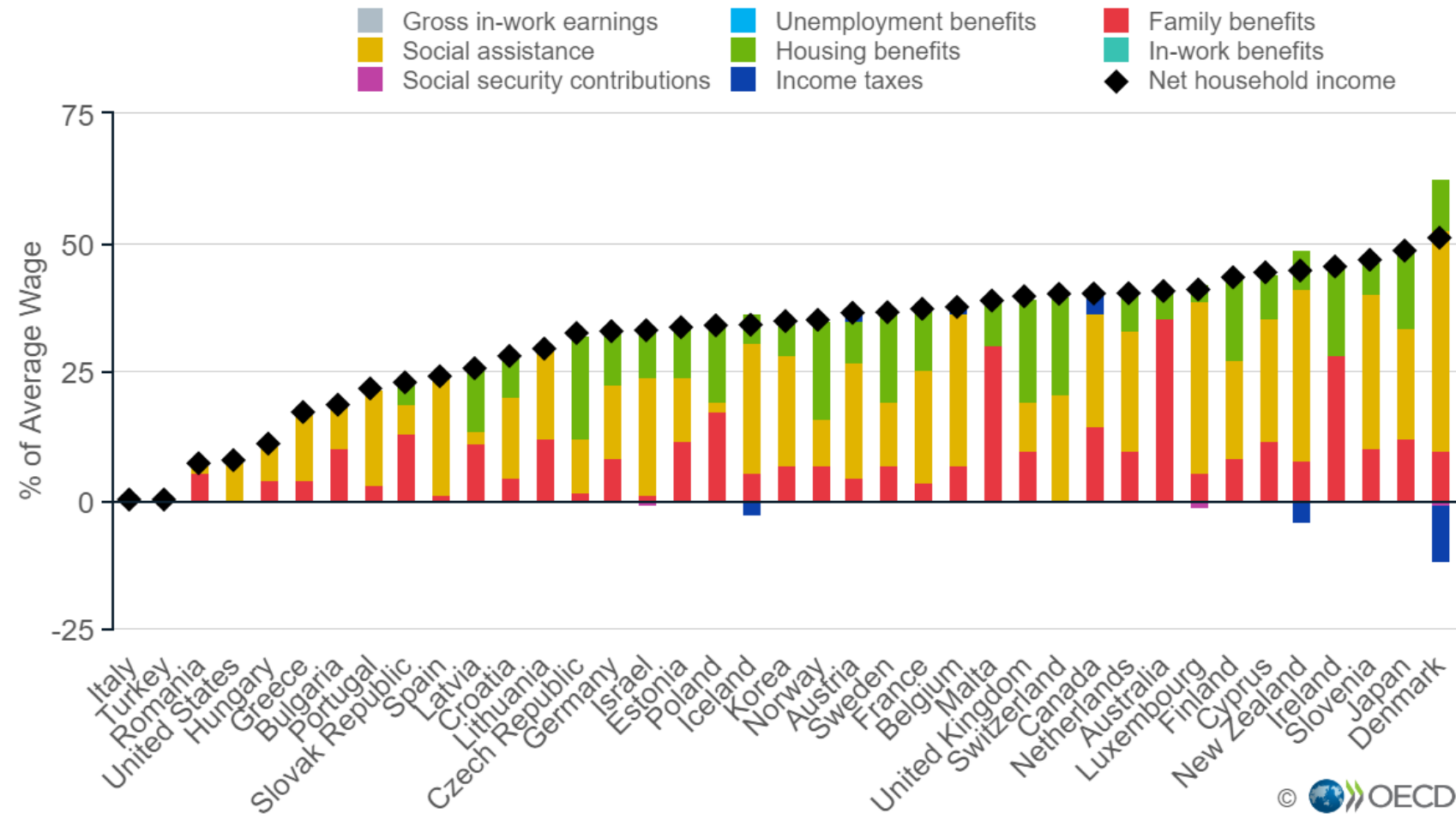
© OECD

Source: OECD Tax-Benefit web calculator <http://www.oecd.org/els/soc/benefits-and-wages/tax-benefit-web-calculator/#d.en.500997>

Income of single person with one child and no work history

Net income by country, 2018

Single adult with one child



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