Drivers of homelessness, and what works to bring people inside

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Senior Managing Director

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The Department of Commerce touches every aspect of community and economic development. We work with local governments, businesses and civic leaders to strengthen communities so all residents may thrive and prosper.
Commerce provides a publicly available accounting of where the homeless money 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
Commerce provides publicly available report card on county performance

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)

<table>
<thead>
<tr>
<th>Washington State Homeless System Performance: County Report Cards</th>
<th>Department of Commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Specs</td>
<td>Trend Data</td>
</tr>
<tr>
<td>Total Project Entries</td>
<td>Length of Time Homeless</td>
</tr>
<tr>
<td>82,446</td>
<td>174</td>
</tr>
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</table>

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

• Homelessness has increased primarily because rents increased

• Part of why rents increased was 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 works

- Housing reduces homelessness

- Base level of other services critical...some people need services to maintain subsidized housing...but extra services don’t seem to reduce homelessness
Housing Prices in Washington

Source: https://www.zillow.com/home-values/

Department of Commerce
Rents in Spokane County

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

Department of Commerce
Rents in Whatcom County

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

Department of Commerce
Rents in King County

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

Department of Commerce
Rents in Yakima County

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

Department of Commerce
Rents in Thurston County

Source: http://www.zillow.com/home-values/
Rents in lower cost areas served by Sound Transit

Source: one bedroom http://www.zillow.com/home-values/
Rents – Alternative data source

May 2019 Rental Trends: Seattle Metro

[Graph showing median 2BR rent and year-over-year rent growth for various cities in the Seattle Metro area.]

Source: [https://www.apartmentlist.com/wa/seattle#rent-report](https://www.apartmentlist.com/wa/seattle#rent-report)
WA Economy: Rents are increasing while income growth lags

Median Rent
+30%

Lowest quartile rent
+20%

Middle incomes
+10%

Low incomes (bottom 20% of households)

Data sources: U.S. Census Bureau American Community Survey 1-Year estimates; inflation adjusted using the Bureau of Labor Statistics CPI-U. Median household incomes
WA Economy: Rents compared to minimum wage and disability income growth

Rent data sources: U.S. Census Bureau American Community Survey 1-Year Estimates for Washington State, B25057
Housing affordability in King County – Rent vs. wages and disability income

Sources:
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:
- 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 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 King County – Individual income vs. rent

Rent burden: Jobs in King County
Median contract rent in Seattle-Tacoma-Bellevue MSA / Average Income

Sources:
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](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table)
Housing affordability in King County – Individual income vs. rent

Rent burden: SSI Recipients - King County
Median contract rent in Seattle-Tacoma-Bellevue MSA / Average income

Sources:
Census Bureau ACS Median Contract Rent -Year Estimates B25058 [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25058&prodType=table)
71% of WA extremely low-income renter households are severely cost burdened

230,395
OR
22%
Renter Households that are extremely low income

$24,300
Maximum income of 4-person extremely low income households (state level)

-163,726
Shortage of rental homes affordable and available for extremely low income renters

$55,886
Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

71%
Percent of extremely low income renter households with severe cost burden

Source: National Low Income Housing Coalition
Housing affordability in Washington State - Households

Percent of owner and renter households paying >30% for housing - WA

Rent burdened households - WA

Households with incomes <30% AMI paying >50% of income for housing

Sources:
- 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](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

Census Bureau ACS 1-Year Estimates of Population
Homelessness – WA 5th highest per capita rate

% of Population Experiencing Homelessness Ranked

- New York
- Hawaii
- Oregon
- California
- Washington
- Massachusetts
- Alaska
- Nevada
- Vermont
- Colorado
- Maine
- United States
- Florida
- Arizona
- Montana
- South Dakota
- Minnesota
- Nebraska
- New Mexico
- Maryland
- Tennessee
- Idaho
- Delaware
- Connecticut
- Wyoming

- Percentage unsheltered
- Percentage sheltered
All things being equal, as rents grow, homelessness increases

Sources:
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
Rents vs. homelessness

WA had second largest rent increase 2013-17

Census Bureau ACS 1-Year Estimates of Population
Median contract rent, Census Bureau ACS 2017 1-year
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

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

Housing vouchers for low income households:

- Reduce earned income by $109 a month ($12,452 to $11,140 annually)
- Reduce employment by 4 percentage points (61% to 57%) first eight years, no significant impact >8 years

Permanent vouchers vs. temporary rent assistance for homeless families:

- 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:
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

Poverty rate before taxes and transfers
Poverty rate after taxes and transfers
Prime age employment

Prime age employment population ratio ages 25-54
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

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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 #8
- Percentage of married couple households increased – WA ranked #14
Alcohol and drug dependence: A mixed picture

Since 2012:

WA ranks 18th in substance use disorder

1. Alcohol use disorder declined, ranked 29th

2. Overall illicit drug dependence may be stable, ranked 11th

3. Ranked 13th in pain reliever use disorder, and 12th in heroin use

4. Opioids continue to be a crisis, WA ranks 32nd in prevalence of drug overdose deaths

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
4 – CDC: https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm
Relationship between prevalence of opioid use and homelessness

![Graph showing the relationship between rate of homelessness and prevalence of opioid dependence.](image)

Sources:
Increases in Drug and Opioid-Involved Overdose Deaths – United States, 2010-2015: [https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm](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](https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports)
Relationship between prevalence of opioid use and homelessness

Sources:
HUD Annual Homeless Assessment Report AHAR: [https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports](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:
- Increases in Drug and Opioid-Involved Overdose Deaths – United States, 2010-2015: [https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm](https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm)
- Drug Overdoes Death Data: [https://www.cdc.gov/drugoverdose/data/statedeaths.html](https://www.cdc.gov/drugoverdose/data/statedeaths.html)
- HUD Annual Homeless Assessment Report AHAR: [https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports](https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports)
DRAFT/Experimental Measure:

WA Homeless Crisis Response System Performance: Above Average

Sources: 2017 Data


## WA Homeless Crisis Response System Performance: Ranked 9th

<table>
<thead>
<tr>
<th>State</th>
<th>Length of time homeless percentile</th>
<th>Exits to Permanent Housing Percentile</th>
<th>Returns to homelessness Percentile</th>
<th>Combined Percentile</th>
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<tr>
<td>MA</td>
<td>20%</td>
<td>37%</td>
<td>94%</td>
<td>50%</td>
<td>26</td>
</tr>
</tbody>
</table>

Why are rents increasing?

Lack of housing supply is a factor
Since 2005 in WA: Population +21%, Housing units +17%

Deficit of new housing units necessary to maintain 2005 ratio of people to housing units

Housing unit deficit: 91,713

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

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

<table>
<thead>
<tr>
<th></th>
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<td>United States</td>
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<td>7.7%</td>
<td>7.7%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

Sources: American Community Survey 1-Year Estimates, Table DP04
1 – U.S. Census Bureau Vacancy and Homeownership rates by State
[http://pages.jh.edu/jrer/papers/pdf/past/vol32n04/03.413_434.pdf](http://pages.jh.edu/jrer/papers/pdf/past/vol32n04/03.413_434.pdf)
Vacancy rates and rent increases are inversely related.

Source: American Community Survey 1-Year Estimates, two year running average
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
Lower quartile rents strongly associated with median incomes – 0.80 correlation above average growth MSAs

Source: American Community Survey 1-Year Estimates, 2017
## Incomes vs. Rents – Differences between lower and higher rent burdened communities

**Lower quartile rents as percent of median income among top 50 high income above average growing MSAs**

### 10 Lowest rent burdens

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Median Income</th>
<th>Rent Burden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rochester, MN Metro Area</td>
<td>$71,985</td>
<td>9.3%</td>
</tr>
<tr>
<td>Appleton, WI Metro Area</td>
<td>$65,990</td>
<td>9.4%</td>
</tr>
<tr>
<td>Ogden-Clearfield, UT Metro Area</td>
<td>$71,629</td>
<td>10.3%</td>
</tr>
<tr>
<td>Worcester, MA-CT Metro Area</td>
<td>$69,412</td>
<td>10.8%</td>
</tr>
<tr>
<td>California-Lexington Park, MD Metro Area</td>
<td>$81,495</td>
<td>10.8%</td>
</tr>
<tr>
<td>Des Moines-West Des Moines, IA Metro Area</td>
<td>$68,649</td>
<td>10.9%</td>
</tr>
<tr>
<td>Bridgeport-Stamford-Norwalk, CT Metro Area</td>
<td>$91,198</td>
<td>11.4%</td>
</tr>
<tr>
<td>Midland, TX Metro Area</td>
<td>$75,266</td>
<td>11.4%</td>
</tr>
<tr>
<td>Bismarck, ND Metro Area</td>
<td>$66,087</td>
<td>11.5%</td>
</tr>
<tr>
<td>Greeley, CO Metro Area</td>
<td>$68,884</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

### 10 Highest rent burdens

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Median Income</th>
<th>Rent Burden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulder, CO Metro Area</td>
<td>$80,834</td>
<td>15.5%</td>
</tr>
<tr>
<td>Vallejo-Fairfield, CA Metro Area</td>
<td>$77,133</td>
<td>15.6%</td>
</tr>
<tr>
<td>Santa Rosa, CA Metro Area</td>
<td>$80,409</td>
<td>15.9%</td>
</tr>
<tr>
<td>Naples-Immokalee-Marco Island, FL Metro Area</td>
<td>$66,048</td>
<td>16.5%</td>
</tr>
<tr>
<td>San Luis Obispo-Paso Robles-Arroyo Grande, CA Metro</td>
<td>$71,880</td>
<td>16.7%</td>
</tr>
<tr>
<td>Salinas, CA Metro Area</td>
<td>$71,274</td>
<td>17.1%</td>
</tr>
<tr>
<td>Oxnard-Thousand Oaks-Ventura, CA Metro Area</td>
<td>$82,857</td>
<td>17.3%</td>
</tr>
<tr>
<td>Santa Maria-Santa Barbara, CA Metro Area</td>
<td>$71,106</td>
<td>17.4%</td>
</tr>
<tr>
<td>Los Angeles-Long Beach-Anaheim, CA Metro Area</td>
<td>$69,992</td>
<td>17.4%</td>
</tr>
<tr>
<td>San Diego-Carlsbad, CA Metro Area</td>
<td>$76,207</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

*Sources: American Community Survey 1-Year Estimates, 2017*
Variation in % of income for rent partially explained by quality of weather: 0.51 correlation

Seattle-Tacoma-Bellevue MSA lower quartile rent +8% higher than would be predicted by quality of weather

Sources:
American Community Survey 1-Year Estimates
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
What works to reduce homelessness?
Correlation between median rents and homelessness: 0.70
  • WA Predicted homelessness based on current median rents: 0.23%
  • WA Actual homelessness: 0.29%
  • Difference between predicted and actual homelessness: +20%

Correlation between median incomes and median rents: 0.85
  • WA Predicted median rents based on median household incomes: $1,024
  • WA Actual median rent: $1,087
  • Difference between predicted and actual median rents: +6%
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%

Model of deregulation: Citywide rent -24%

Assuming the following deregulation of midrise development in the City of Seattle:

<table>
<thead>
<tr>
<th>POLICY</th>
<th>CURRENT CONDITIONS</th>
<th>SCENARIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability Level</td>
<td>60% AMI</td>
<td>120% AMI</td>
</tr>
<tr>
<td>Mandatory Housing Affordability (MHA) Fees</td>
<td>+$10 psf</td>
<td>+$0 psf</td>
</tr>
<tr>
<td>Energy Code</td>
<td>Silver</td>
<td>None</td>
</tr>
<tr>
<td>Early Community Outreach</td>
<td>2 months</td>
<td>0 months</td>
</tr>
<tr>
<td>Design Review</td>
<td>6 months</td>
<td>0 months</td>
</tr>
<tr>
<td>Permitting Timeline</td>
<td>8 months</td>
<td>6 months</td>
</tr>
<tr>
<td>Floorplate Restriction</td>
<td>12,500 SF</td>
<td>15,000 SF</td>
</tr>
<tr>
<td>Open Space Requirements</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Parking Requirements</td>
<td>0.7 units/Space</td>
<td>0 units/Space</td>
</tr>
<tr>
<td>Annual Property Tax Increase</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Citywide rent one-bedroom unit: $2,297 -> $1,743 (-24%)
New mid-rise project rent one-bedroom: $2,460 -> $2,127 (-14%)

Source: Up For Growth, Seattle Housing Policy and Affordability Calculator
Model of “incremental pro-housing polices”: Citywide rent -6%

Assuming the following deregulation in the City of Seattle:

<table>
<thead>
<tr>
<th>Rent Shift</th>
<th>-8%</th>
<th>($190)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT CONDITIONS RENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Costs</td>
<td>-$10</td>
<td></td>
</tr>
<tr>
<td>Open Space Requirements</td>
<td>-$36</td>
<td></td>
</tr>
<tr>
<td>State Real Estate Excise Tax</td>
<td>-$9</td>
<td></td>
</tr>
<tr>
<td>Annual Property Tax Increase</td>
<td>-$42</td>
<td></td>
</tr>
<tr>
<td>MHA Fees</td>
<td>-$5</td>
<td></td>
</tr>
<tr>
<td>Timeline Cost</td>
<td>-$88</td>
<td></td>
</tr>
<tr>
<td><strong>RESULTING RENT</strong></td>
<td></td>
<td>$2,270</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Shifts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking ratio reduced from 0.7 to 0.5 spaces per apartment</td>
<td></td>
</tr>
<tr>
<td>15% Open Space Requirement (from 20%)</td>
<td></td>
</tr>
<tr>
<td>No Real Estate Excise Tax at sale (from 1.3%)</td>
<td></td>
</tr>
<tr>
<td>2% Annual Tax Increase (from 4%)</td>
<td></td>
</tr>
<tr>
<td>MHA fees reduced to $6 psf (from $10)</td>
<td></td>
</tr>
<tr>
<td>6 month total permitting process (from 18 months)</td>
<td></td>
</tr>
</tbody>
</table>

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

“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).
What works: Subsidized housing for low income households

Permanent subsidized housing (vouchers or facility based) for low-income households:

• ~$8,000 per household/per year
• Prevents 74% of homelessness (12.5% -> 3.3%)
• Not an effective use of limited homeless housing resources

Source: Vouchers for low income families reduced being families from becoming unsheltered or living in temporary homeless housing by 74% (12.5% -> 3.3%). No significant long impact on employment and earnings. Change over five years.

What works: Short-term rent assistance for people at-risk of being evicted

- 76% decrease: (2.1% -> 0.5%)
- ~$33,000 per household prevented from becoming homeless
- Not an effective use of limited homeless housing resources

Source: Vouchers for low income families reduced being families from becoming unsheltered or living in temporary homeless housing by 74% (12.5% -> 3.3%). No significant long impact on employment and earnings. Change over one year. [http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.530.3116&rep=rep1&type=pdf](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.530.3116&rep=rep1&type=pdf)
…the finding in more depth

“We find that those calling when funding is available are 76% less likely to enter a homeless shelter….

For our main sample, fund availability led to a...1.6-percentage point decrease in the probability of entering a shelter within 6 months.”

People who did not receive prevention admitted to shelter within six months of calling: 2.1%

People who did receive prevention admitted to shelter within six months of calling: 0.5%

76% decrease: (2.1% - 1.6%)/2.1% = 76%

Numbers from a study of a homeless prevention program in Chicago: The impact of homelessness prevention programs on homelessness, Science, August 12, 2016, Volume 353
Homelessness prevention: 2.2% effective at reducing entry into shelter

Households provided rent assistance to prevent homelessness

Households prevented from entering shelter in the six months after receiving rent assistance

Numbers from a study of a homeless prevention program in Chicago: The impact of homelessness prevention programs on homelessness, Science, August 12, 2016, Volume 353
Cost to prevent one household from entering shelter: $33,000
Cost to shelter one household: $2,400

Results of spending $100,000 on...

Prevention: 3 households prevented from entering shelter
Shelter: 417 households sheltered

Numbers from a study of a homeless prevention program in Chicago: The impact of homelessness prevention programs on homelessness, Science, August 12, 2016, Volume 353
Be wary of research abstracts

Abstract

“Despite the prevalence of temporary financial assistance programs for those facing imminent homelessness, there is little evidence of their impact. Using data from Chicago from 2010 to 2012 (n = 4448), we demonstrate that the volatile nature of funding availability leads to good-as-random variation in the allocation of resources to individuals seeking assistance. To estimate impacts, we compare families that call when funds are available with those who call when they are not. We find that those calling when funding is available are 76% less likely to enter a homeless shelter. The per-person cost of averting homelessness through financial assistance is estimated as $10,300 and would be much less with better targeting of benefits to lower-income callers. The estimated benefits, not including many health benefits, exceed $20,000.”

Numbers from a study of a homeless prevention program in Chicago: The impact of homelessness prevention programs on homelessness, Science, August 12, 2016, Volume 353
What works: Temporary housing or rent assistance for people who are unsheltered

Source: WA Homeless Report Card 2019
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

Source: [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3969126/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3969126/)
# King County vs. places with extensive subsidized housing or shelter

<table>
<thead>
<tr>
<th></th>
<th>% unsheltered</th>
<th>vs. King County</th>
<th>Unsheltered</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>King County</td>
<td>0.24%</td>
<td></td>
<td>5,288</td>
<td>2,189,000</td>
</tr>
<tr>
<td>London</td>
<td>0.02%</td>
<td>-91%</td>
<td>3,103</td>
<td>14,187,146</td>
</tr>
<tr>
<td>Germany</td>
<td>0.06%</td>
<td>-74%</td>
<td>52,000</td>
<td>83,000,000</td>
</tr>
<tr>
<td>Dublin</td>
<td>0.01%</td>
<td>-96%</td>
<td>128</td>
<td>1,345,402</td>
</tr>
<tr>
<td>Australia</td>
<td>0.03%</td>
<td>-89%</td>
<td>6,314</td>
<td>24,600,000</td>
</tr>
<tr>
<td>New York</td>
<td>0.04%</td>
<td>-82%</td>
<td>3,675</td>
<td>8,623,000</td>
</tr>
</tbody>
</table>
What does not apparently meaningfully reduce homelessness

- Increasing earned income through welfare to work, work training, employment navigation – Does increase earned income

- Treatment for behavioral health illnesses such as substance use disorders and depression – Does reduce use/dependence - May help a person retain subsidized housing

- Housing linked to more intensive services intended to improve self-sufficiency

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)

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.”

Washington State Medication Assisted Treatment – Prescription Drug and Opioid Addiction Project, Preliminary Outcomes through Year Two, April 2019

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:**

Source: [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1449349/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1449349/)
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:

- 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](https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-4-102.pdf)