

# BRINGING WASHINGTON HOME



## 2016 AFFORDABLE HOUSING REPORT



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

*Opening doors to a better life*



Department of Commerce



WASHINGTON LOW INCOME  
**Housing Alliance**

# ABOUT THIS REPORT

The purpose of this report is to provide an annual snapshot of the state of affordable housing and homelessness in Washington. The report compares data on homelessness, housing costs, and income needed to rent or purchase an average-priced home. The most recent data is compared with data from one year and five years prior. The report also highlights the impact of affordable homes on families and individuals and will be complemented by a series of fact sheets that provide local data and a personal story for communities across Washington.

As the report demonstrates, housing costs have increased over the last five years. Those increases are largely attributable to population growth<sup>1</sup> in the state and low vacancy rates.<sup>2</sup> Along with housing prices, homelessness has increased in during that period. However, looking back further, accounting for population increases, homelessness in Washington decreased more than 27% between 2006 and 2013. On a statewide basis, homelessness has only begun to rise again since 2013, driven primarily by high housing costs.<sup>2</sup>

A study published in the Journal of Urban Affairs<sup>3</sup> showed that every \$100 increase in rent is associated with a 6% increase in homelessness in metro areas, and a 32% increase in non-metro areas. Between 2011 and 2016, the fair market rent for an average-priced modest two-bedroom apartment increased from \$993 to \$1,203.

As housing costs have increased, incomes for the lowest income workers haven’t kept up. Between 2006 and 2013, incomes for the bottom 20% of households in Washington dropped by 10%, and didn’t catch up to pre-recession levels until 2015. Between 2006 and 2015, the median rent in Washington rose by 18%.<sup>4</sup>

Based on changes in rent, unemployment, and population, people experiencing homelessness during the annual point in time count could have reached nearly 27,000 in January 2016.<sup>5</sup> Because of investments in effective interventions, the actual count found 20,833 people experiencing homelessness. Interventions include eviction prevention, rental assistance, shelter, and permanent supportive housing funded with the document recording fee. It also includes affordable housing created with the state Housing Trust Fund that provides homes for people leaving homelessness, as well as low-income seniors, farmworkers, people with disabilities, and low-income first time home buyers.



## HEATHER’S STORY

Heather Cantamessa has spent most of her childhood- and early-adulthood on a rollercoaster of homelessness, scattered employment, and addiction—while trying to raise a family. Repeatedly she was denied access to shelters or treatment because her kids were

too old, or the wrong gender, or because her family was just too big. And without the help she needed she was unable to provide her children a home.

Then she lost her children to Child Protective Services, and she nearly lost all hope.

Heather found her way into treatment and moved into Oxford housing, where she was finally able to get her life on track. Her newfound stability enabled her to reunite with her children. She entered the Transitional Living

Center—a program and shelter in Spokane designed to lift families out of poverty and homelessness while allowing them to live together. Heather and her children attended therapy sessions, and soon they were ready to transition to living on their own —together, as a family. Heather has since bought a home, gone back to school, and become a pillar of her community. She’s lived in her house for seven years—the longest she’s lived anywhere in her life. Her kids are in school, no longer fear moving away from their friends every few months, and can focus on their studies.

Heather is working to help open a family-centered treatment program in Spokane, where families who need help can find housing, long term support, and comprehensive services, without restrictions on age, gender, or family size. She does this work because she believes “No parent should ever have to choose between housing and their kids.”

FRONT COVER: Paty Saldana, 25, achieved her dream of homeownership in 2016 when she purchased a home in Prosser for herself and her two children. After saving money and building up good credit, she qualified for a home loan and downpayment assistance for lower-income borrowers, offered by the Washington State Housing Finance Commission.

# A PRESCRIPTION FOR HOUSING

## SAFE AND AFFORDABLE HOUSING IS A SMART INVESTMENT TO IMPROVE HEALTH OUTCOMES

Dozens of studies exploring the public costs and health outcomes associated with homelessness have arrived at the same conclusion: investments in affordable homes may be one of the most important upstream solutions for healthcare systems and policymakers looking to improve community health outcomes while bending the health care cost curve down.<sup>6</sup>

### Below are some of the pathways through which access to a home impacts health outcomes<sup>7</sup>:

- **When a home is unaffordable, families often have to make difficult choices** about whether to prioritize paying the rent, paying for high-quality food or visiting a doctor. When families live in an affordable home, they have more resources available for food and health care, leading to better health outcomes.<sup>8</sup>
- **A high-quality and healthy home limits exposure to environmental toxins** that can cause respiratory problems, lead and carbon monoxide poisoning, learning defects, and other negative health outcomes.<sup>9</sup>
- **Supportive housing (housing connected to health care and services) is key** to connecting individuals who have experienced chronic homelessness with primary physical and mental health care, increasing primary care visits, decreasing emergency department visits, and reducing Medicaid expenditures.<sup>10</sup>
- **A home in a high-opportunity neighborhood can reduce stress and social isolation**, and can lead to better physical health outcomes, including reduced rates of obesity.<sup>11</sup>
- **A stable and affordable home can support mental health** by limiting the significant stresses caused by overcrowding, financial burden, frequent moves, or by having to remain in an abusive home environment.<sup>12</sup>

*The link between access to a safe, healthy, affordable home and improved health outcomes is undeniable. It represents a key opportunity for those looking to improve community health and lower government costs.*

## TERMS TO KNOW

### AFFORDABLE HOUSING

Housing is considered affordable when costs equate to no more than 30% of the household income. For homeowners, housing costs include mortgage payments, insurance, taxes, and utilities. For renters, housing costs include rent and utilities.

### MEDIAN INCOME

The income level where an equal number of people or households have incomes above or below that line.

### FAIR MARKET RENT

A dollar amount set annually by the US Department of Housing and Urban Development (HUD) to indicate the cost of renting a low-cost apartment in a given market.

### HOUSING WAGE

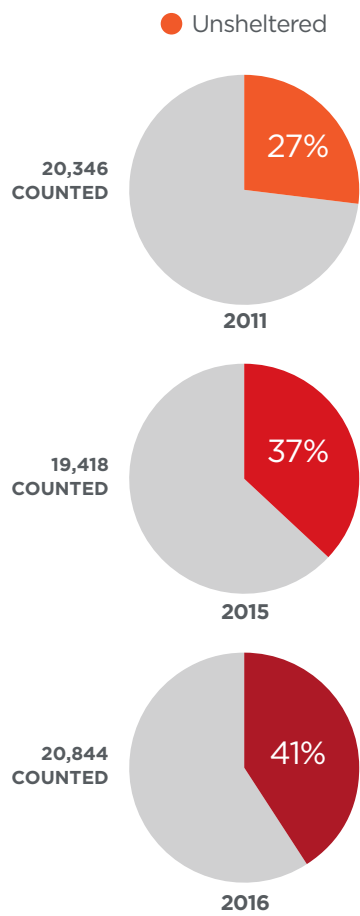
The hourly wage a full-time worker needs to afford an average priced rental home without paying more than 30% of income for rent.

### LOW-INCOME

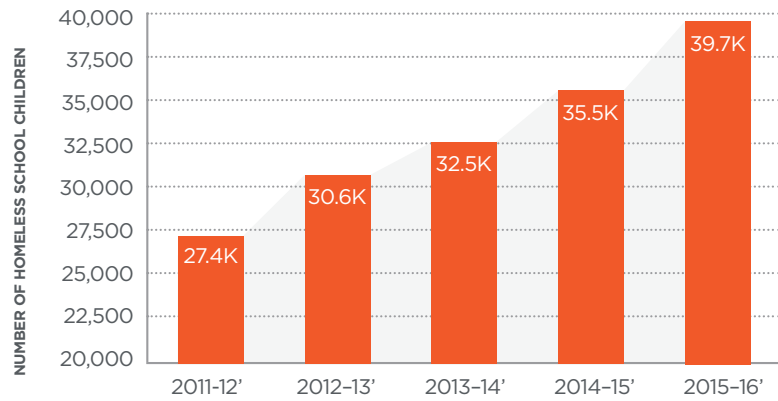
Households with incomes at 80% or less than the local median income (adjustments are made for family size). Households living with incomes at less than 50% of the local median are considered very low-income, and households below 30% are considered extremely low-income.

# WASHINGTON'S AFFORDABILITY GAP

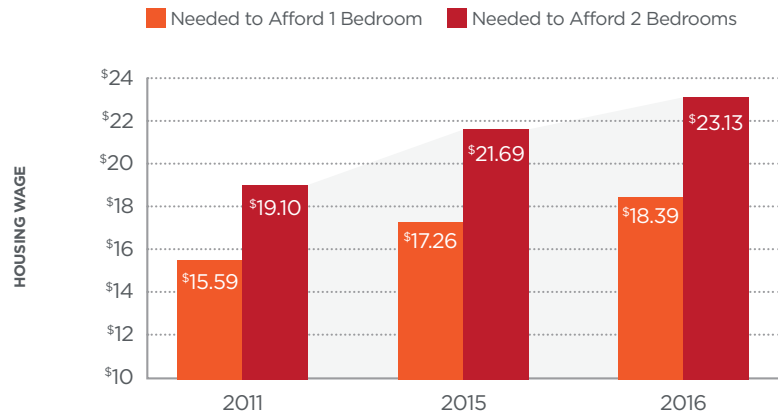
POINT IN TIME COUNT OF PEOPLE EXPERIENCING HOMELESSNESS



HOMELESS SCHOOL CHILDREN

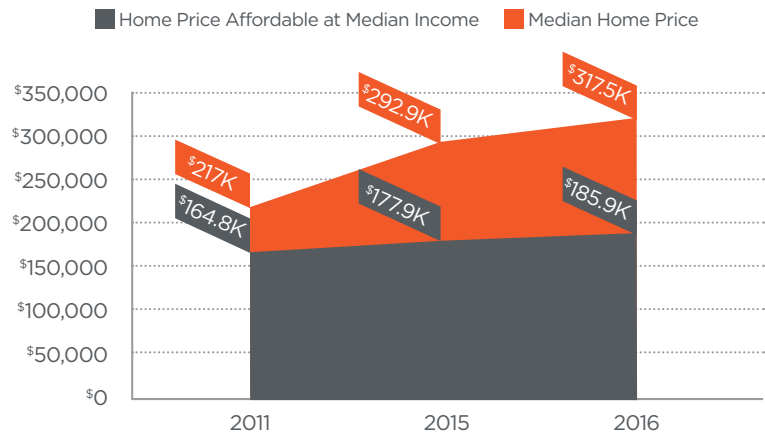


HOUSING WAGE

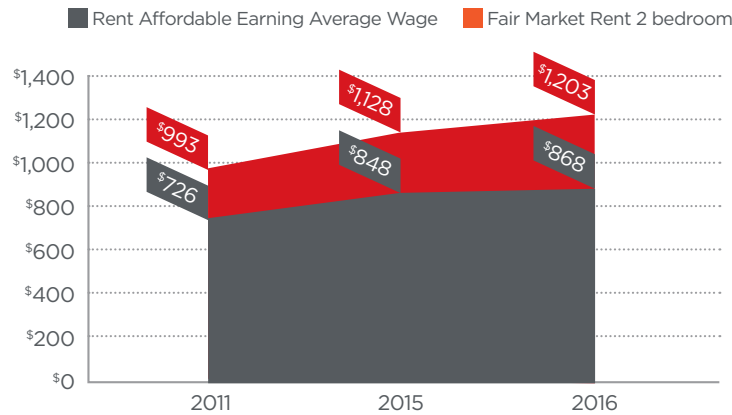


# DRIVES HOMELESSNESS

MEDIAN INCOME EARNERS PRICED OUT OF OWNERSHIP



MARKET RENTS ARE OUT OF REACH



Data Sources Cited:

- Point in Time Count
- Out of Reach Report
- Affordable Housing Needs Assessment
- Office of Superintendent of Public Instruction
- US Census Bureau American Community Survey
- University of Washington Runstad Center Housing Market Snapshot



## JAMAL'S STORY

"The Housing and Essential Needs program saved my life. For years I cycled in and out of homelessness, until finally I was connected with the Housing and Essential Needs program. My caseworkers found me a home, gave me rental assistance, helped with transportation, and

hygiene articles. For the first time in my adult life I had the stability, the dignity, and the security of my own place to live. It allowed me to focus on my health, my employment, my education, and to ultimately get my life going in a direction I am proud of."

Today Jamal is completing a degree in Social and Human Services with certification as a Chemical Dependency Specialist. Jamal also serves on two nonprofit boards,

where he advocates for housing and re-entry programs. Jamal credits many organizations for helping him turn his life around but it all began with access to an affordable home.

The Housing and Essential Needs program placed him in a house, where, for the first time ever, Jamal experienced what it was like to have his own room, bed, and door with a lock that he alone held the key to. He made his own schedule, cooked his own meals, and could take a shower every day. Because of the structure and support of the Housing and Essential Needs program Jamal changed his entire outlook, got clean and sober, and put his life on track.

"If it weren't for the Housing and Essential Needs program, I don't know if I'd be alive today."



## MINDY'S STORY

Mindy Woods is a single mom and a veteran, who uses a Housing Choice (Section 8) voucher to pay her rent. Mindy also struggles with several autoimmune disorders and living in a healthy and stable home is crucial to her quality of life. So when her landlord told her

he would not renew her lease, she knew trouble was ahead—she's been discriminated against as a voucher holder before.

Mindy and her son slept on friends' couches for months while applying for apartments. She contacted landlords for every apartment she could afford, only to be told over and over "we do not accept Section 8." Mindy's search for a home took so long that she nearly lost

her voucher. She received a three-month extension, and in that time she was turned down for six more apartments.

Finally, after eight months of being homeless, and two days before her voucher extension expired, she found a landlord willing to accept her form of payment. The Catholic Community Services Supportive Services for Veterans program was able to provide assistance for her deposit and credit check, and she moved in immediately.

Now that she has a stable, healthy place to live, Mindy is able to take care of herself and works as a nanny. She loves her new home and is fulfilled by simple luxuries—like her large balcony with a view of the sunset.



# HOMEWORK WITHOUT A HOME:

## HOUSING INSTABILITY AND HOMELESSNESS HARM STUDENT ACHIEVEMENT

A safe, healthy, affordable home is as important a factor in student educational attainment as teachers, schools, and books. But, for the more than 39,000 students who were identified as homeless in Washington during the 2015–16 school year—more than half of whom were in elementary school or younger—the statewide shortage of affordable housing could have a significant and negative long-term impact on academic outcomes.

Adverse conditions early in life, such as homelessness and housing instability, can cause toxic levels of stress in students,<sup>13</sup> which for children and youth in particular, can change the physiological makeup of their brains and impair the development of academic engagement, self-regulation, and other skills critical to learning.<sup>14</sup> A lack of affordable housing can cause families to have to move often, leading to interruptions in instruction and time away from school. Numerous studies have indicated that each time a child changes schools, they experience a significant decline in their educational achievement.<sup>15</sup> The achievement gaps between homeless elementary students and their peers tend to persist, and may even worsen across a student’s educational career.<sup>16</sup> Homelessness disproportionately impacts children of color, further widening the educational opportunity gap.<sup>17</sup>

### HOMELESS STUDENTS IN WASHINGTON STATE

- **20% – 28% less likely** to meet state standards in reading, writing, math, and science, across all grades<sup>18</sup>
- **Twice as likely** to be suspended or expelled<sup>18</sup>
- **Two to three times as likely** to be African American, American Indian, or Latino<sup>19</sup>
- **26.2% less likely** to graduate.<sup>20</sup>

*A safe, healthy, affordable home serves as a stable foundation upon which every child can build a lifetime of educational success.*



### APRIL AND JIMMY’S STORY

April and her partner Jimmy struggled with addiction and homelessness, but when April discovered she was pregnant, the couple knew it was time to get back on track.

Determined to get off the streets, April called the Mason County

Shelter every Tuesday for six weeks, until a spot in the shelter opened up.

Having a stable and safe place to sleep at night enabled April to enroll in school, get clean, attend AA meetings regularly, and focus on next steps. Jimmy was able to work with a caseworker to resolve his legal issues.

After three months, April and Jimmy found a 2-bedroom house that they could afford with a private landlord. The

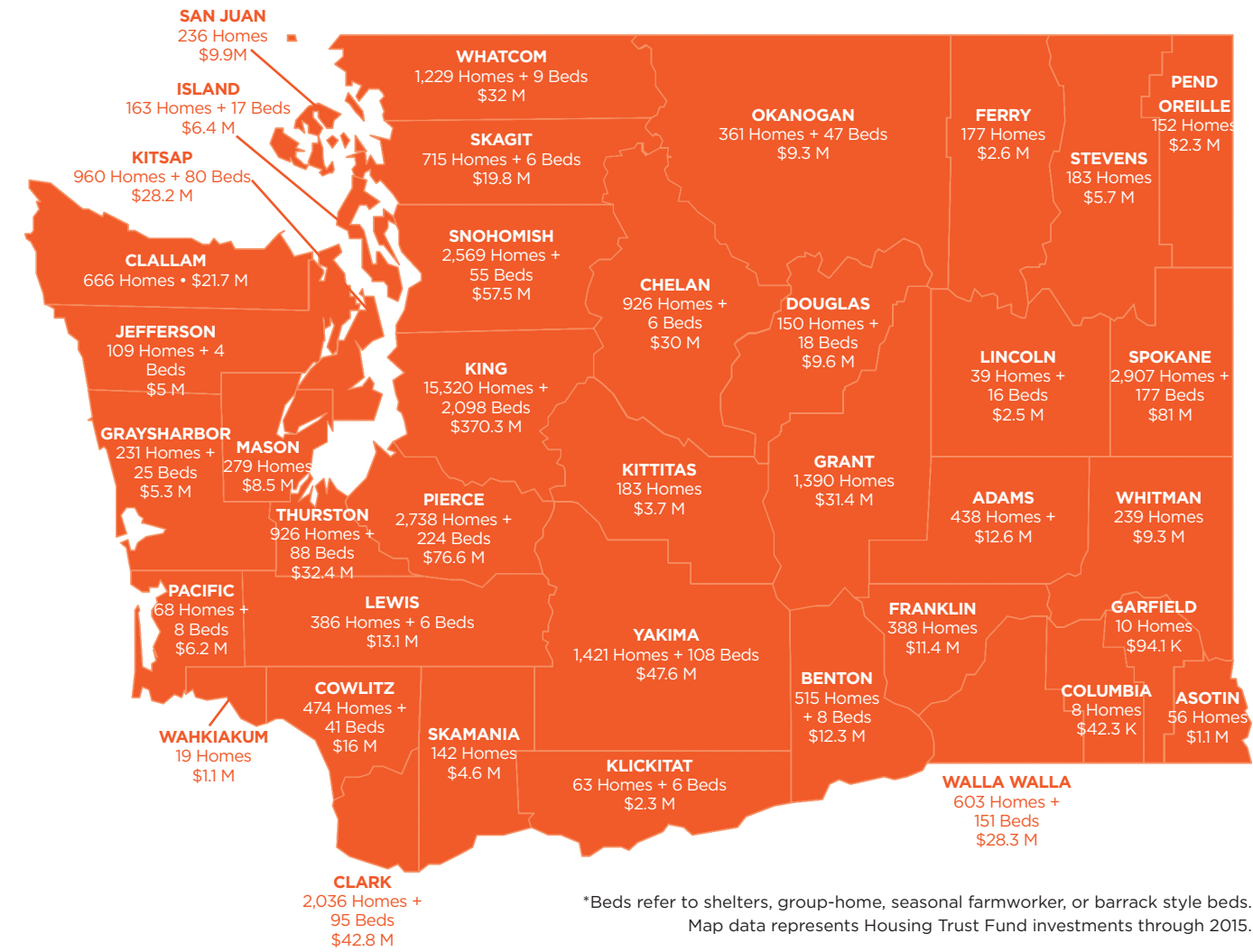
Mason County Shelter’s rental assistance program helped them pay a full year of rent, and Temporary Assistance for Needy Families (TANF) supports helped pay for utilities and other necessities. Having a year to not worry about rent was critical for them to continue school, find work, and create a safe home for their child.

April and her husband have now lived in their current home for four years. April is able to care for her three kids and help her family maintain stability by working on-call for Tuwaduq Family Services. Jimmy now works as an Emergency Planning Specialist for the Skokomish Tribe.

April says her children are her greatest motivator, but if they hadn’t had a hand up, she doesn’t know where they would be.

# STATEWIDE INVESTMENTS IN AFFORDABLE HOMES\*

## UNITS CREATED BY THE HOUSING TRUST FUND



### Partnerships: state, local, federal, and private investments in affordable homes

Increasing the supply of homes affordable to low-income households in Washington requires investment and partnership from state, local, federal, and private entities. Building one project takes an average of five funding sources.

The Housing Trust Fund is the most important investment the state makes in affordable homes. Every dollar invested in the Housing Trust Fund leverages nearly six additional dollars from other sources.

The federal government supports affordable homes through the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, and with the Low Income Housing Tax Credit, administered by the Washington State Housing Finance Commission. An increasing number of local communities are also investing in affordable homes, including Vancouver, Bellingham, and Seattle whose voters have all approved a local housing levy. Additionally, East King County cities contribute to a regional housing trust fund: A Regional Coalition for Housing (ARCH.)

Creating homes also creates jobs and generates income in local communities. On average, building 100 apartment homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year.<sup>21</sup>

Learn more about the HTF: [www.commerce.wa.gov/HTF](http://www.commerce.wa.gov/HTF)

Learn more about the LIHTC: [www.wshfc.org/admin/30yearsLIHTC.pdf](http://www.wshfc.org/admin/30yearsLIHTC.pdf)

- <sup>1</sup> Office of Financial Management. "Population Change: Natural Increase and Net Migration" Accessed March 12, 2017. <http://www.ofm.wa.gov/trends/population/fig302.asp>
- <sup>2</sup> Department of Commerce. "Why is homelessness increasing?" Accessed February 23, 2017. <http://www.commerce.wa.gov/wp-content/uploads/2017/01/hau-why-homelessness-increase-2017.pdf>
- <sup>3</sup> Source: Journal of Urban Affairs, *New Perspectives on Community-Level Determinants of Homelessness*, 2012
- <sup>4</sup> Department of Commerce. "Why is homelessness increasing?" Accessed February 23, 2017. <http://www.commerce.wa.gov/wp-content/uploads/2017/01/hau-why-homelessness-increase-2017.pdf>
- <sup>5</sup> Analysis based on the impacts of unemployment rates, rent increases, and population growth, factors identified in: Journal of Urban Affairs, *New Perspectives on Community-Level Determinants of Homelessness*, 2012
- <sup>6</sup> Sturtevant, Lisa and Janet Viveiros. How Investing in Housing Can Save on Health Care: A Research Review and Comment on Future Directions for Integrating Housing and Health Services. HOUSING HEALTH Innovations in the Field, January 2016.
- <sup>7</sup> This topic is explored in more depth in, "The Impacts of Affordable Housing on Health: A Research Summary," by Nabihah Maqbool, Janet Viveiros, and Mindy Ault. Insights from Housing Policy Research, April 2015.
- <sup>8</sup> Alexander, Barbara, William Apgar, Kermit Baker, and Pamela Baldwin. 2014. *The State of the Nation's Housing*. Boston, MA: Joint Center for Housing Studies, Harvard University; March, Elizabeth L., Stephanie Ettinger de Cuba, Annie Gayman, John Cook, Deborah A. Frank, Alan Meyers, JoHanna Flacks, Megan Sandel, and Samantha Morton. 2009. *Rx for Hunger: Affordable Housing*. Boston, MA: Children's HealthWatch and Medical-Legal Partnership; Pollack, Craig Evan, Beth Ann Griffin, and Julia Lynch. 2010. "Housing Affordability and Health Among Homeowners and Renters." *American Journal of Preventative Medicine* 39(6): 515-521
- <sup>9</sup> Gibson, M., Petticrew, M., Bamba, C., Sowdend, A. J., Wright, K. E., Whitehead, M. (2011). Housing and health inequalities: A synthesis of systematic review of interventions aimed at different pathways linking housing and health. *Health and Place*, 17(1), 172-184.
- <sup>10</sup> Bill Wright, Ph.D. Grace Li, Ph.D. Maggie Weller, M.S. Keri Vartanian, Ph.D. *Health in Housing: Exploring the Intersection between Housing and Health Care. Housing + Health, Innovations in the Field*. <http://enterprisecommunity.org/news-and-events/news-releases/affordable-housing-reduces-medicaid-costs> Accessed November 10, 2016.
- <sup>11</sup> Lindberg, Ruth A., Edmond D. Shenassa, Dolores Acevedo-Garcia, Susan J. Popkin, Andrés Villaveces, and Rebecca L. Morley. 2010. "Housing Interventions at the Neighborhood Level and Health: A Review of the Evidence," *Journal of Public Health Management Practice* 16(5): S44-S52; Price, David J. and Susan J. Popkin. 2010. "The Health Care Crisis for CHA Families," CHA Families and the Plan for Transformation Policy Brief #5. Washington, DC: Urban Institute.
- <sup>12</sup> Liu, Y., Njai, R.S., Greenlund, K.J., Chapman, D.P., Croft, J.B. Relationships Between Housing and Food Insecurity, Frequent Mental Distress, and Insufficient Sleep Among Adults in 12 US States, 2009. *Prev Chronic Dis* 2015; 11:130334.
- <sup>13</sup> Harvard Center on Developing Child. Key Concepts: Toxic Stress. Accessed November 9, 2016. <http://developingchild.harvard.edu/science/key-concepts/toxic-stress/>
- <sup>14</sup> Fantuzzo, J., LeBoeuf, W., Brumley, B. & Perlman, S. (2013). A population-based inequity of homeless episode characteristics and early educational well-being. *Children and Youth Services Review*, 35, 966-972.
- <sup>15</sup> Such as Jeffrey Grigg's "School Enrollment Changes and Student Achievement Growth: A Case Study in Educational Continuity," *Sociology of Education*, October 2012 (85): 4 388-404.
- <sup>16</sup> Obradovic, J., Long, J.D., Cutuli, J.J., Chan, C.K., Hinz, E., Heisted, D. & Maston, A.S. (2009). Academic Achievement of homeless and highly mobile children in an urban school district: Longitudinal evidence on risk, growth, and residence. *Development and Psychopathology*, 21(2), 493-518.
- <sup>17</sup> [www.k12.wa.us/LegisGov/2017documents/2017-01-HomelessEducation.pdf](http://www.k12.wa.us/LegisGov/2017documents/2017-01-HomelessEducation.pdf)
- <sup>18</sup> Dyer, Melinda, and Jordyn Green. "Homeless Student Data: 2013-14." Office of Superintendent of Public Instruction. Accessed November 9, 2016. <http://www.k12.wa.us/LegisGov/2015documents/HomelessStudentsJan2015.pdf>.
- <sup>19</sup> Office of Superintendent of Public Instruction. "Legislative Report 2013-14 Demographics." Accessed November 9, 2016. <http://www.k12.wa.us/HomelessEd/pubdocs/2013-14DistrictDemographics.xlsx>.
- <sup>20</sup> Office of Superintendent of Public Instruction. "Number of Homeless Students Continues to Climb." Accessed November 9, 2016. <http://www.k12.wa.us/Communications/pressreleases2016/NumberHomelessStudents.aspx>
- <sup>21</sup> National Association of Homebuilders. "The Economic Impact of Home Building in a Typical Local Area" Accessed March 12, 2017. [https://www.nahb.org/-/media/sites/nahb/economic%20studies/1-report\\_local\\_20150318115955.ashx?la=en](https://www.nahb.org/-/media/sites/nahb/economic%20studies/1-report_local_20150318115955.ashx?la=en)



Department of Commerce



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

Opening doors to a better life

1411 Fourth Ave, Suite 850, Seattle, WA 98101  
[www.wliha.org](http://www.wliha.org)

1011 Plum St SE, Olympia, WA 98504  
[www.commerce.wa.gov](http://www.commerce.wa.gov)

1001 Second Ave, Ste 2700, Seattle, WA 98104  
[www.wshfc.org](http://www.wshfc.org)