

BRINGING WASHINGTON HOME



2020 AFFORDABLE HOUSING REPORT



Washington State
Department of
Commerce



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Opening doors to a better life



WASHINGTON LOW INCOME
Housing Alliance

THE POWER OF AFFORDABLE HOUSING

Everyone at every stage of life needs a safe place to live. In small towns and big cities, the stories of Washingtonians enduring homelessness and housing instability are varied. They include working people in low-wage jobs, young people setting out on their own, families juggling bills amid unexpected challenges, struggling seniors and people with disabilities on limited incomes, and more. But amid the diversity of stories, each one has a common thread: housing costs are overwhelming tight household budgets.

The high cost of housing compared to what households can afford is the driving factor causing homelessness and housing instability to increase in Washington.¹

- **Statewide in the past five years, the wages needed to afford a fair-market rent apartment in Washington state have increased by 51%.** In the same period the estimated average renter wage has increased only 29%.
- **In the past five years the median home price has soared by 40%,** pushing homeownership out of reach of more Washingtonians.

WHAT IS AFFORDABLE?

Affordable housing is housing that fits in a household's budget and doesn't cost more than 30% of household income for renters. For homeowners, affordability means a household's monthly housing costs are generally no more than 38% of monthly household income and total debt is no more than 45% of monthly household income.



WHY DOES IT MATTER?

Affordable housing is more than roof and four walls. It helps kids learn. It helps people survive serious illness. It helps families stay together through hard times. It helps communities welcome immigrants and refugees. It helps people with disabilities and seniors to live independently. Affordable housing prevents homelessness and enables households – whether they be families, young adults, or elders – to maintain stability through the ups and downs of life.

In every county across our state wise public investments are helping caring communities to create affordable housing and shelter and bring Washingtonians home. Strategies include eviction prevention, rental assistance, shelter, and permanent supportive housing funded with the state document recording fee. It also includes affordable housing created with the state Housing Trust Fund.² That housing provides homes for people leaving homelessness, as well as low-income seniors, farmworkers, people with disabilities, and low-income first-time home buyers.

This report celebrates the good results of investing in affordable housing across our state. It also shines light on the serious work we still must do to bring Washington home.

ABOVE: Once homeless, this Spokane family now lives in a new affordable apartment complex built with the help of the Housing Trust Fund.
FRONT COVER: Thanks to affordable rental housing, the Williams family of Tacoma had a stable home from which to grow. Mom Juliette completed her degree in health care, their income rose, and the family grew—until they made the leap to homeownership in 2015.

WHY EQUITY MATTERS

Washingtonians, no matter where we are from, what we look like, or what our beliefs, all need a place to call home. But we don't all have equitable access to affordable housing.

For generations, policy makers and leaders made decisions that created inequitable access to affordable, high-quality rental housing and home ownership. In response, we've come together and outlawed discrimination through civil rights and fair housing laws. But inequities based on race, gender, ability and more are still causing harm.

- **Discrimination still happens.** Laws provide tools to respond to discrimination. They don't eliminate it. Multiple recent investigations in Washington state identified acts of discrimination against renters based on race, sexual orientation and ability.^{3,4}
- **Disparities in wealth and income increase the risk of homelessness for people of color.**
- **For every \$100 in wealth that the average white family holds, the average Black family has just \$5.04.⁵** White families in America have, on average, 13 times the wealth of Black families and 10 times that of Latino families.
- **This inequity is growing.** It is now the highest it has been in the past 20 years. Much of this enormous difference is the result of housing policies and practices that have benefited white people and disadvantaged Black people and other people of color for generations.^{6,7} Families with little or no wealth are more likely to be pushed into homelessness as a result of hard times like periods of unemployment or illness.
- **Paying for housing is a struggle for many families, and racial disparities in income make it harder.** Approximately one third of white families with kids at home are paying more than 30% of their income for housing, compared with more than half of Black households and 40% of Latino households.⁸
- **Income and wealth disparities alone do not explain all inequities in access to stable affordable housing.** African-American and American Indian/Alaskan Native people are at an unfairly high risk of homelessness, even accounting for income disparities. Racial discrimination in multiple areas of life- health, education, criminal justice and others-pile up and make it harder to get and keep stable affordable housing.⁹

Just as public policy decisions can create inequities, our actions and public policy choices can create an equitable future. The path forward should include continued investments and actions to create equitable access to affordable housing for all Washingtonians.

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ADELAIDA'S STORY Yakima County

Adelaida is raising three active, growing boys. She values community, her family, and most importantly, she wants to provide a healthy, stable environment for her children to grow up in.

But due to the high cost of housing, Adelaida could not afford what her family needed. They were living in a much-too-small for their family one-bedroom duplex apartment. "It was very, very difficult," explains Adelaida. "Not to mention, having to choose between groceries for my family or paying my rent."

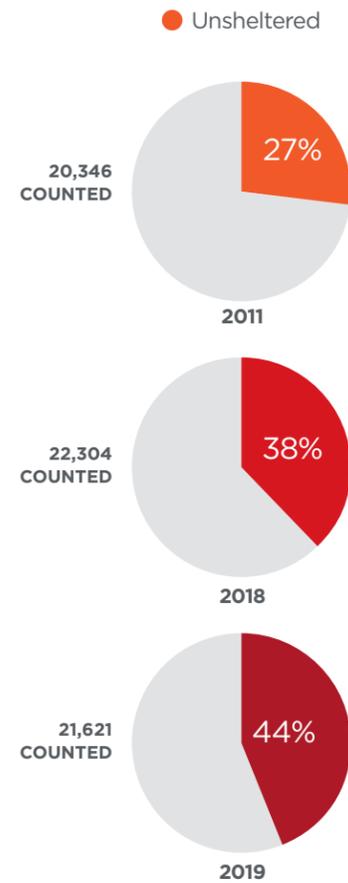
After explaining to a friend about her housing challenges, Adelaida was put in touch with Catholic

Charities Housing Services. CCHS works with communities in Central Washington to create affordable housing. They helped her find a safe, healthy, affordable home big enough for her family at the Mother Joseph Villas housing development.

Adelaida is thankful for the opportunity to live in an affordable home that is close to schools while building a community of support amongst her neighbors. "I am happy that my kids have a safe environment to grow up in," she says. Now that they are stable, Adelaida can focus on what matters most to her and hopes to give back one day.

WASHINGTON'S AFFORDABILITY GAP DRIVES HOMELESSNESS

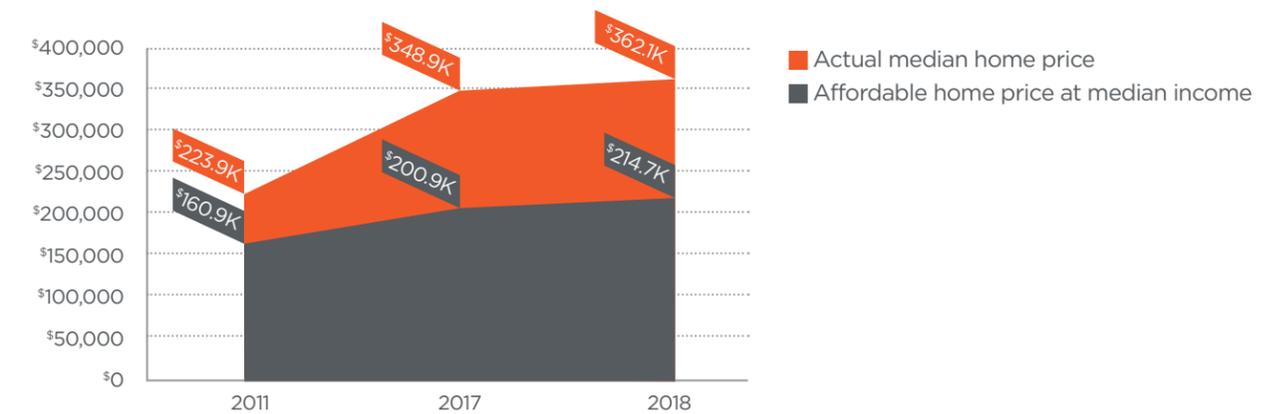
POINT IN TIME COUNT OF PEOPLE EXPERIENCING HOMELESSNESS



HOMELESS SCHOOL CHILDREN



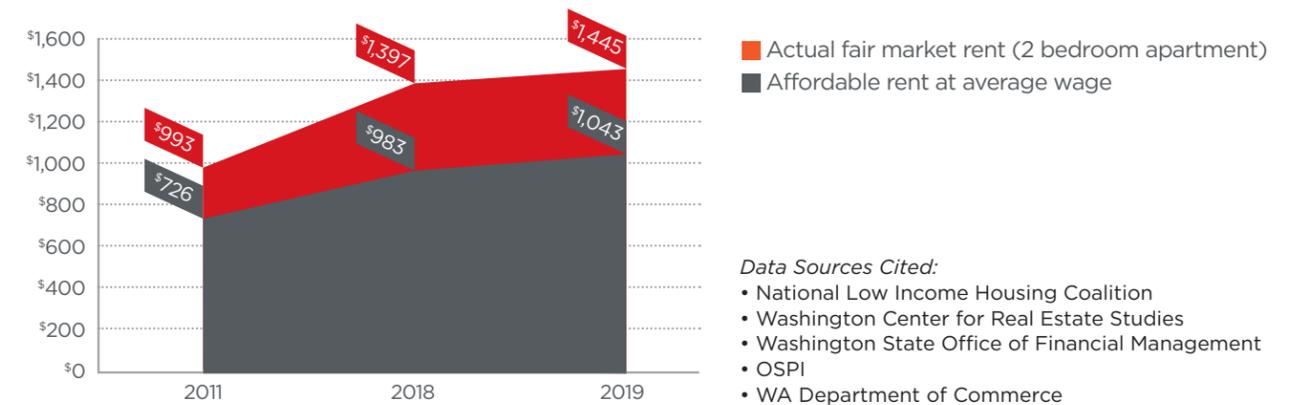
MEDIAN INCOME EARNERS PRICED OUT OF OWNERSHIP



HOUSING WAGE



MARKET RENTS ARE OUT OF REACH



Data Sources Cited:

- National Low Income Housing Coalition
- Washington Center for Real Estate Studies
- Washington State Office of Financial Management
- OSPI
- WA Department of Commerce

KIDS NEED A HOME

Childhood should be a time to focus on learning, playing and reaching for dreams. But in Washington far too many kids are dealing with the big worries and daily struggles of homelessness.

More than 40,000 school-age children in Washington were homeless during the 2017-2018 school year.¹⁰ Data indicate that half of kids experiencing homelessness are under the age of 6 and not yet enrolled in kindergarten.¹¹

The highest **numbers** of children who experience homelessness live in cities. However, the highest **rate** of homelessness among children is higher in rural areas.¹² American Indian/Alaska Native, Black and Pacific Islander children in Washington are more than three times as likely to experience homelessness as white children.¹³

About three quarters of Washington's school-age children who experience homelessness are "doubled up" staying with friends or relatives temporarily. Studies show that the impacts of homelessness on children are similar whether their families are doubled up or living in a shelter or a car.¹⁴ For renters, taking in another family can also put the host family's housing at risk of losing their own housing.

Nearly 3,000 students in Washington are homeless and on their own. These students are struggling to meet their most basic needs and manage adult responsibilities. Among unaccompanied youth, national data indicate that about 40% of homeless youth up to age 24 identify as lesbian, gay, bisexual or transgender, while just 3% to 8% of the population overall is LGBTQ. Family rejection is one factor driving youth homelessness.¹⁵

HOMELESSNESS HURTS KIDS

Homelessness is very hard on kids. Children who experience homelessness face many losses; community, possessions, routines, stability and privacy. The impacts of experiencing homelessness show up in kids' lives in many ways.

- **Statewide, students who experience homelessness are 20% less likely to graduate high school.** They are also much less likely to graduate than children in families with low-incomes who did not experience homelessness.
- **Students who experience homelessness are twice as likely to be chronically absent from school.** Missing school is emotionally and socially isolating and often has lasting impacts on school success.
- **Children who experience homelessness cope with trauma and health impacts that can last a lifetime.** They are sick at twice the rate of their peers, including higher rates of chronic conditions. Half of children who are homeless are coping with depression and anxiety, compared to about a fifth of children who do not experience homelessness.^{16,17}

Preventing homelessness and increasing access to affordable housing will help Washington's kids have happy, healthy childhoods and grow up to be successful, thriving adults.

CREATING AND PRESERVING AFFORDABLE HOMES TAKES ALL OF US.

Creating and preserving affordable housing takes time, money and hard work. Partnerships are critical. Caring local communities need local, state, federal, and private funding to bring housing to our communities.

The Housing Trust Fund is the most important investment Washington makes in affordable homes. HTF investments are making people's lives better in every county across Washington. Every dollar invested leverages nearly six additional dollars.

Federal assistance also plays a key role in providing affordable housing. Federal assistance is very effective but has not kept pace with need. Today federal assistance reaches a declining percentage of renters who need help. Recent data show that just one in five renters eligible for federal assistance get that assistance.¹⁸

AN INCREASING NUMBER OF LOCAL COMMUNITIES ARE INVESTING IN AFFORDABLE HOMES.

- East King County cities contribute to a regional housing trust fund: A Regional Coalition for Housing (ARCH).
- Voters in Vancouver, Bellingham, and Seattle have all approved a local housing levy.
- Cities including Ellensburg, Olympia, and Port Angeles are implementing a .1% sales tax option for affordable housing.¹⁹
- In 2019 the legislature passed the Affordable Housing Sales Tax Credit (HB 1406) which provides a new affordable housing revenue source for counties, cities, and towns who choose to participate. Many localities are already opting in.²⁰

Learn more about implementing the affordable housing sales tax credit: <https://www.1406status.com/>

Learn more about all local options for funding affordable housing: <https://bit.ly/2YBaTMO>

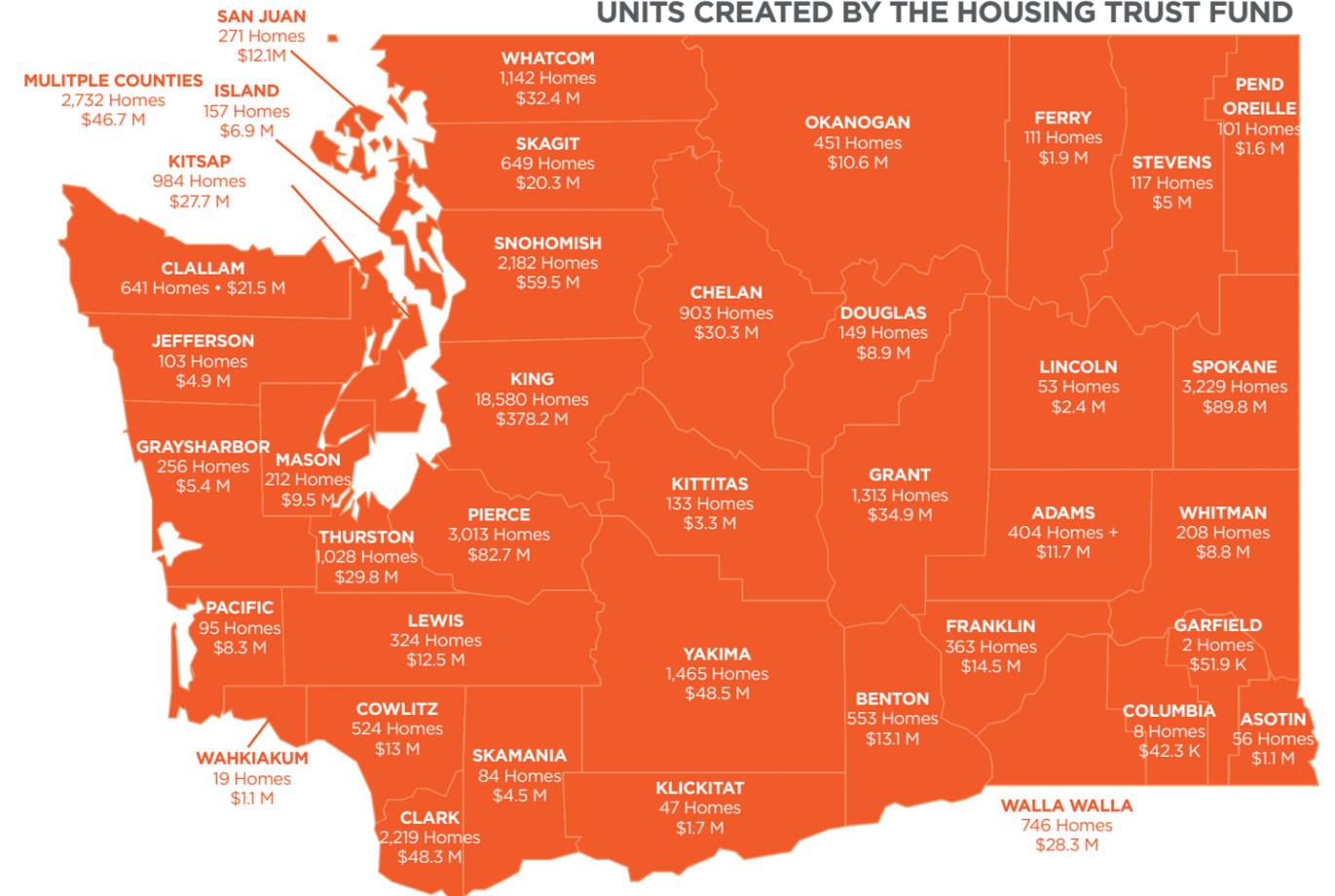
Learn more about the HTF: www.commerce.wa.gov/HTF

Learn more about the LIHTC: www.wshfc.org/admin/30yearsLIHTC.pdf

Every dollar invested by the Housing Trust Fund leverages nearly six additional dollars.

STATEWIDE INVESTMENTS IN AFFORDABLE HOMES*

UNITS CREATED BY THE HOUSING TRUST FUND



*Homes include affordable apartments, homeownership units, as well as beds (shelters, group-home, seasonal farmworker, or barrack style beds). Map data represents Housing Trust Fund investments through September 2019. Data displayed is for active contracts in the HTF's 30+ year old portfolio and was pulled from original contract amounts. Please assume a small margin of error. Totals include federal funding from HOME & National Housing Trust Fund.



SUSAN'S STORY King County

Susan is a former cement mason. If you've ever been to Safeco Field, you've experienced something that Susan helped build. But a devastating car accident robbed her of her trade, and though she received workers compensation for a few years, it wasn't enough to pay the rent. She scraped together odd jobs for awhile, but ultimately, she ended up homeless.

Susan spent six years experiencing homelessness, couch surfing, or sleeping in parks, but no one knew. "I hid from the label, none of my friends or family knew. I didn't want people feeling sorry for me." She put herself on housing lists, but, because she didn't have steady access to a phone, she often missed the call when it was her turn, and her name would go back to the bottom. She was strapped for cash and often had to make tough decisions. "Sometimes, I had to make

a decision to eat that week or apply for a permanent place to live. A person has to work up to 4 hours to pay for one application."

In 2013, Susan found Real Change and became a vendor for the Seattle based street newspaper. "My first day selling the paper was the hardest day of my life because it was my public display that I was homeless." She also got connected with Mercy Housing Northwest, who helped her get into a home she could afford and helped her get her life back on track.

Since living in a safe and healthy home, Susan has not only held consistent employment, but she's become an incredible advocate. She's working on a community project with Love Wins Ministries, in hopes of expanding the movement to provide homes for people who need them.



REGINA'S STORY Pierce County

Regina and her daughter fled a domestic violence situation. They first found safety, and protection from homelessness, at a SafePlace shelter. Then they found a stable, affordable home at the Evergreen Vista apartments, an affordable housing community created by Mercy Housing Northwest.

Upon moving into Evergreen Vista Regina gained the security and capacity to build toward the future she envisioned for herself and her child. She worked with the case management program and set goals to gain employment and improve her credit. Like many who escape domestic violence, her credit history was damaged.

Regina took a volunteer position with Intercity Transit's Village Vans program; after seven months they offered her a full-time position. Regina gained a well paid, full-time position as a bus driver. She worked closely with her case manager and a credit company to improve her credit. She has set her sights on the goal of owning her own home. Regina says, **"I am so proud of myself; I am getting where I need to be. I want someone else to have the opportunity to live here [at Evergreen Vista] and do better too."**

Not only is Regina working full-time and raising her daughter, but she was recently approved to volunteer at the same SafePlace shelter where she and her daughter once lived. Regina will be working as an advocate for other women going through similar domestic violence situations.

- ¹ Why is Homelessness Increasing?, Washington Department of Commerce, January 2017
- ² Created by the Washington State legislature: RCW 43.185C.060
- ³ 2019 King County Analysis of Impediments to Fair Housing Choice, 6/14/19
- ⁴ Fair Housing Equity Assessment for the Central Puget Sound Region, 1/2014
- ⁵ <https://www.nytimes.com/interactive/2017/09/18/upshot/black-white-wealth-gap-perceptions.html>
- ⁶ <https://www.epi.org/blog/housing-discrimination-underpins-the-staggering-wealth-gap-between-blacks-and-whites/>
- ⁷ <https://www.kcet.org/shows/city-rising/housing-and-the-racial-wealth-gap-a-historical-overview>
- ⁸ <https://datacenter.kidscount.org/data/tables/7678-children-living-in-households-with-a-high-housing-cost-burden-by-race#detailed/2/49/false/871,870,573,869,36,868,867,133,38,35/10,11,9,12,1,185,13/14832,14833>
- ⁹ Phase 1 Study, Center for Social Innovation, www.center4si.com/wp-content/uploads/2018/03/SPARC-Phase-1-Findings-March-20181.pdf
- ¹⁰ Report to the Legislature, Update: Homeless Students Data, 2018, available here: <https://www.k12.wa.us/student-success/access-opportunity-education/homeless-education/homeless-education-student-data>
- ¹¹ Early Childhood Homelessness in the United States; a 50 State Profile, Administration for Children and Families, June 2017,
- ¹² Students Experiencing Homelessness in Washington's K-12 Public Schools; 2015-2018 Trends, Characteristics and Academic Outcomes, September 2018, School House Washington, a project of Building Changes
- ¹³ Report to the Legislature, Update: Homeless Students Data, 2018, available here: <https://www.k12.wa.us/student-success/access-opportunity-education/homeless-education/homeless-education-student-data>
- ¹⁴ Students Experiencing Homelessness in Washington's K-12 Public Schools; 2015-2018 Trends, Characteristics and Academic Outcomes, September 2018, School House Washington, a project of Building Changes
- ¹⁵ Office of Homeless Youth, Prevention and Protection Programs 2016 Report, Washington state Department of Commerce, <https://www.commerce.wa.gov/serving-communities/homelessness/office-of-youth-homelessness/>
- ¹⁶ Good Housing is Good Health Fact Sheet, Opportunity Starts at Home, <https://www.opportunityhome.org/resources/good-housing-good-health/>
- ¹⁷ National Child Traumatic Stress Network Homelessness and Extreme Poverty Working Group,
- ¹⁸ Trends in Housing Problems and Federal Assistance, Urban Institute, October 2017
- ¹⁹ Affordable Housing, MSRC <http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects-Plan-Elements/Affordable-Housing-Ordinances-Flexible-Provisions.aspx>
- ²⁰ SHB 1406: Understanding the Affordable Housing Sales Tax Credit , July 2019 <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/July-2019/SHB-1406-Affordable-Housing-Sales-Tax-Credit.aspx>



100 West Harrison St, North Tower, Suite N220
Seattle, WA 98119
www.wliha.org



1011 Plum St SE, Olympia, WA 98504
www.commerce.wa.gov



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1001 Second Ave, Ste 2700, Seattle, WA 98104
www.wshfc.org