WASHINGTON LOW INCOME
Housing Alliance

What is Driving Homelessness in Our Communities?

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Homelessness is a Local Problem

In 2005, homelessness in Washington State began a steady decline. This was a result of investments in homeless and housing services funded by the Homelessness Housing and Assistance Act surcharge and affordable housing built with state Housing Trust Fund investments[1]. However, 2013 marked a turning point towards a new rise in homelessness. During the 2016 Point In Time Count, 20,844 people were counted as experiencing homelessness across Washington state. While Washington has seen significant population growth in recent years, population growth resulting from people moving to Washington is not a significant driver of homelessness. Between 2012 to 2014, there was only a 2% rise in people served in our homeless system from out of state.[2] The largest population served in the state's homeless system, over 90%[3], is Washington residents. According to data from the Department of Commerce, the vast majority of households, 84%, received homelessness services in the county where they resided before experiencing homelessness.

The Real Drivers of Homelessness

Population growth has not had a significant effect on the growing number of people experiencing homelessness in Washington. Rather, the rise in homelessness is driven by a number of factors created by an out-of-reach rental market, stagnant wages, and barriers to accessing the for-profit rental market.

1. **Affordability and Availability.** Washington's apartment vacancy rate hit a record low of 3.0% in 2016.[4] This record low vacancy rate coupled with a 6.6% increase in rent for a one-bedroom apartment between 2015 to 2016 has caused housing to become increasingly out of reach [5]. A recent study published in the Journal of Urban Affairs found that every $100 increase in rent is associated with a 6% increase in homelessness in metropolitan areas and a 32% increase in homelessness in non-metro areas, such as suburban communities[6]. Washington's rental market places a heavy burden on households at or below 30% of Area Median Income (AMI). For every 100 households at or below 30%, there are only 29 affordable and available rental units statewide. Overall, our state has a deficit of 165,764 affordable and available units at or below 30% AMI.[7]

2. **Stagnant wages.** Although the cost of rent has dramatically increased, wages in Washington remain stagnant or, in some cases, have decreased. According to the National Low Income Housing

1 These investments have reduced homelessness by 17.6% since 2006 per data provided by the WA State Department of Commerce.
2 Data provided by the Washington State Department of Commerce
3 Ibid
4 Runstad Center for Real Estate Studies, Apartment Market Survey 2016
5 National Low Income Housing Coalition, Out of Reach Report 2016
6 Byrne, T., Munley, E.A., Fargo, J.D., Montgomery, A.E., and Culhane, D.P. (2013), New Perspectives on Community-Level Determinants of Homelessness. Journal of Urban Affairs, 35: 607-625. doi: 10.1111/j.1467-9906.2012.00643.
7 National Low Income Housing Coalition, The Gap Report 2016

Coalition, workers need to earn $18.39 an hour in order to afford a one-bedroom apartment in our state. Washington's current minimum wage is $11.00.[8] Despite the need for wages to be increased, low income households have seen a 7% decrease in their income while median rent across Washington rapidly rises.[9] The passage of Initiative-1433 in November 2016 will help mitigate this gap by increasing Washington's minimum wage to $13.50 per hour over the next three years.

3. **Barriers to the Rental Market.** Households living on low incomes often face significant barriers that prevent them from obtaining a home, beyond the high cost of rent. In the majority of Washington, it is legal for landlords to discriminate against tenants who pay for rent with subsidies, such as a section 8 Housing Choice Voucher. Discrimination becomes more prevalent when vacancy rates are low. In February 2016, tenants in Kitsap County who received a section 8 Housing Choice Voucher were only able to find housing 50% of the time. Discrimination based on a tenant's source of income is often used as a loophole to legally discriminate against classes protected under the Fair Housing Act, such as race, class, sexual orientation, disability, ethnicity, and other factors. This form of discrimination is frequently exacerbated by other barriers to private rental housing, including the high cost of repeat tenant screening fees, rental application fees, and blanket rental bans against people with criminal records.

Next Steps to Reduce Homelessness and Expand Access to Affordable Housing

The following budget and policy opportunities would create more affordable housing, prevent homelessness, and eliminate barriers, which together, will prevent another sharp rise in homelessness.

- **Invest $200 million in the Housing Trust Fund.** The Housing Trust Fund ensures that affordable homes are built for people who are living on low incomes. A $200 million investment in the Housing Trust Fund will create 5,700 homes.

- **Eliminate discrimination against renters relying on rental subsidies.** Banning source of income discrimination ensures that renters who rely on critical rental subsidies or income assistance to help pay their rent have the opportunity to live in a safe and healthy home. By eliminating this form of discrimination, we also safeguard fair housing laws that prevent discrimination based on race, ethnicity, sexual orientation, gender, and other factors.

- **Eliminate the sunset on Document Recording Fees, increase the fee, and eliminate the 45% mandate.** Document Recording Fees are Washington's most important tool for combatting homelessness. If these fees expire in accordance with the current statute, 34,000 more residents of Washington will experience homelessness within the first two years of the sunset. With systemic market factors driving homelessness up in Washington, it is not only imperative that the

[8] Ibid.
[9] Data Provided by the Washington State Department of Commerce

sunset be removed, but the fee should be increased by $50 to keep up with the rising cost of rent and inflation. Additionally, the mandate that 45% of the state's portion of the fees be used solely for rental assistance in the for-profit market must be broadened to include non-profit housing and landlord liaison programs. This will ensure people experiencing homelessness are able to quickly find a home.