



WASHINGTON LOW INCOME
Housing Alliance

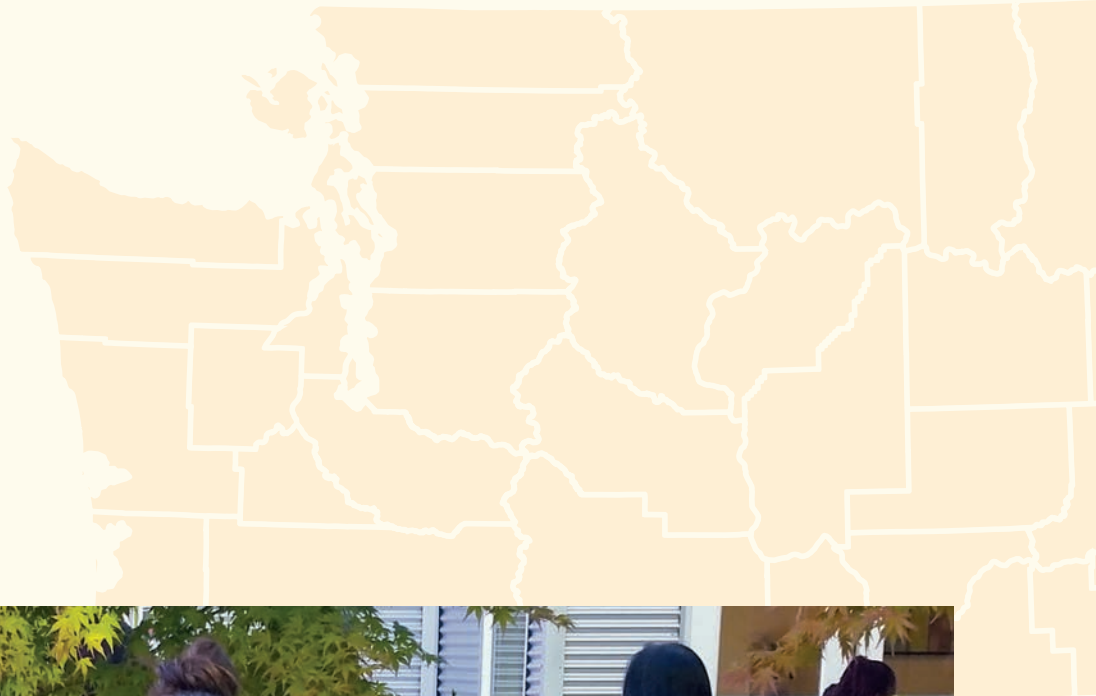


Department of Commerce
Innovation is in our nature.



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Opening doors to a better life



BRINGING WASHINGTON HOME

2014 Affordable Housing Report

SAFE AND AFFORDABLE HOUSING

IMPROVES HEALTH AND REDUCES GOVERNMENT'S COSTS

Many recent studies demonstrate that access to safe and affordable housing for vulnerable populations significantly improves health outcomes and reduces the cost of providing healthcare and other social services.^{1,2,3}

Being Homeless is Not Healthy

People experiencing homelessness face disproportionately high rates of physical and mental health conditions, with 40% of homeless individuals struggling with chronic health issues.⁴ They are at increased risk of cardiovascular disease, pneumonia, tuberculosis, and chronic lung disease.⁴ HIV rates among homeless populations are as high as 20%.⁵ At least 1/3 of people who are chronically homeless face mental health conditions such as clinical depression, bipolar disorder, and schizophrenia.⁶ While health issues can lead to homelessness, the physical conditions and chronic stress of homelessness also leads to and exacerbates health problems. By placing homeless people in housing, we can change these statistics.

Homeless mothers and children already face overwhelming challenges. This situation is made worse with mental illness: 50% of homeless mothers experience severe depression, while homeless youth face high rates of anxiety, depression, social withdrawal, mood disorders, and behavioral disorders.^{6,7} The availability of a stable home with supportive services could reduce the anxiety, depression, and chronic stress facing these families. This not only increases their quality of life overall, but allows them to focus on important goals such as education.



Unsafe and Inadequate Housing Also Causes Health Problems

Unsafe or inadequate housing also results in increased health risks for individuals. These include respiratory problems, lead and carbon monoxide poisoning, and increased accidents and injuries due to unsafe conditions.¹ Insecurely housed adults over 50 visit the emergency room four times as often as the general population and face higher rates of falls and memory loss.⁸ People afraid of being unable to pay their rent or mortgage report three times as much stress as those in affordable housing.⁹ Removing these stressful conditions improves health outcomes.

The Positive Impact of Safe and Affordable Housing

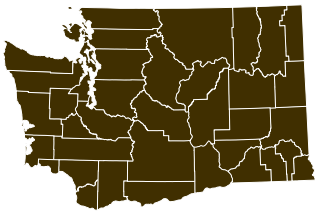
Research shows that safe and affordable housing leads to improved health outcomes. For example, providing supportive housing to chronically ill, formerly homeless individuals has been shown to decrease emergency room visits and inpatient admissions.² Another study of chronically ill, formerly homeless individuals in a Portland, Oregon facility saw average health care costs decrease by 46% in the first year.³ Providing housing to chronically ill, homeless individuals saw significant reductions in the number of times arrested and time spent in jail. While another study showed providing housing to medically ill adults reduced hospital admissions and number of arrests.¹⁰ Growing evidence suggests interventions to improve housing conditions can also reduce health care costs by decreasing high rates of respiratory conditions and other health concerns.¹

Government and community leaders cannot afford to ignore the growing evidence that safe and affordable housing can improve health outcomes for vulnerable people and lower the government's costs at the same time.

- 1 Gibson, M., Petticrew, M., Bamba, C., Sowdend, A. J., Wright, K. E., Whitehead, M. (2011). Housing and health inequalities: A synthesis of systematic reviews of interventions aimed at different pathways linking housing and health. *Health and Place*, 17(1), 175-184.
- 2 The Washington Post. (2013). Want to keep people out of the hospital? Make sure they have a place to live. <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/11/02/want-to-keep-people-out-of-the-hospital-make-sure-they-have-a-place-to-live/>.
- 3 Portland Business Journal. (2014). Providence study reveals a great way to slash health costs: Stable housing. <http://www.bizjournals.com/portland/blog/health-care-inc/2014/04/providence-study-reveals-a-great-way-to-slash.html?page=all>.
- 4 Schanzer, B., Dominguez, B., Shrout, P.E., Caton, C. L.M. (2007). Homelessness, health status, and health care use. *American Journal of Public Health*, 97(3), 464-469.
- 5 National Association of Social Workers HIV/AIDS Spectrum Project. <http://www.naswdc.org/practice/peace/psj0703.pdf>.
- 6 Substance Abuse and Mental Health Services Administration. (2011). Current Statistics on the Prevalence and Characteristics of People Experiencing Homelessness in the United States, 8.
- 7 Seattle PI. (2010). Homelessness can cause mental problems in kids. <http://www.seattlepi.com/local/article/Homelessness-can-cause-mental-problems-in-kids-879396.php>.
- 8 Enterprise Community Partners, Inc. Impact of Affordable Housing on Families and Communities: A Review of the Evidence Base. https://s3.amazonaws.com/KSPProd/ERC_Upload/0093581.pdf.
- 9 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* 2014;11:130334. DOI: <http://dx.doi.org/10.5888/pcd11.130334>.
- 10 National Health Care for the Homeless Council. (Nov 2013). Incarceration & homelessness: A revolving door of risk. In *Focus: A Quarterly Review of the National HCH Council*, 2:2.

Cover: Renee and her daughters Naiara and Ayana became homeless after escaping domestic violence. They found refuge at Mercy Housing Northwest's Appian Way Apartments, a development that could not have been made possible without an affordable housing investment from the state's capital budget. Thanks in large part to this home, Renee was able to go back to school and get a new job in the field of social work. Renee and her family are now active residents at Emerald City Commons, another safe, healthy, and affordable home built with Housing Trust Fund dollars from the state's capital budget. Here they are pictured at Emerald City Commons' first National Night Out event.

Left: Scott with his family Vernita, Nick, David, and Isaiah. Scott is an Army veteran who served for eight years. When Scott returned from duty, he experienced daily stressors, which made it difficult for him to function. Thanks to safety net services and a stable home funded by state investments in affordable housing, his family is off the streets. Many who remain homeless resort to costly emergency services for healthcare.

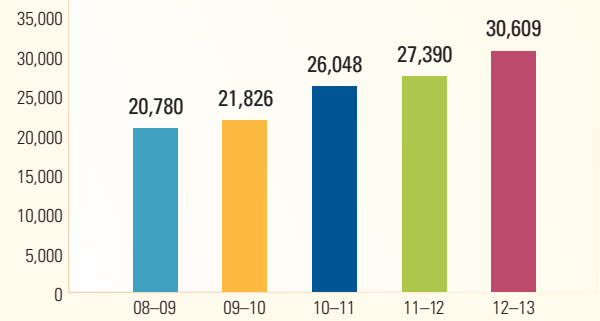


WASHINGTON STATE

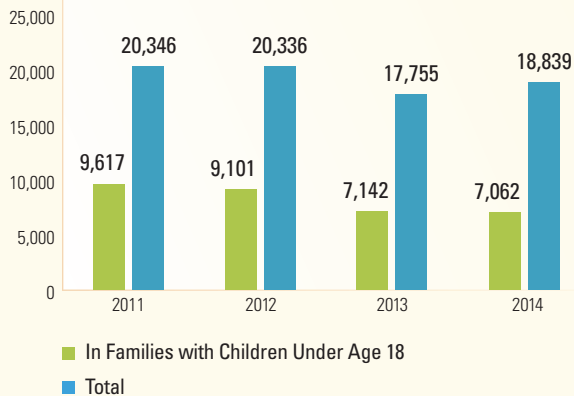
Washington State Statistics

Number of Families	1,750,112
Median Annual Income	\$58,405
Cost Burdened Owners	34%
Cost Burdened Renters	51%
Below Poverty Line	6%

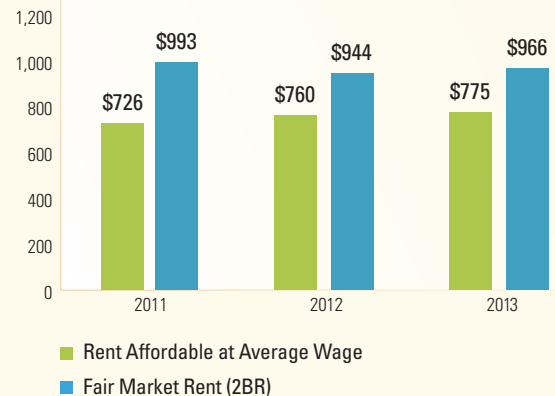
Homeless Schoolchildren



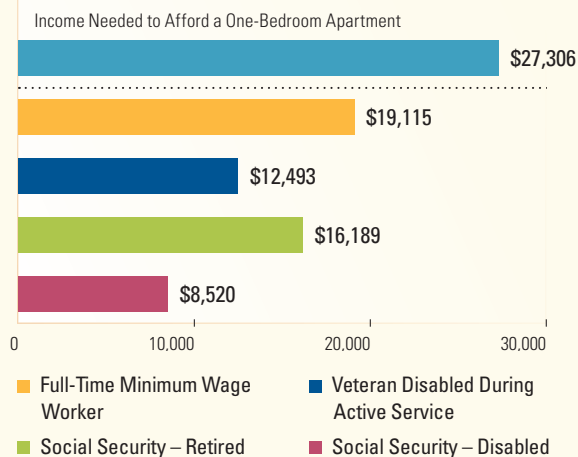
One Night Count of Homeless People



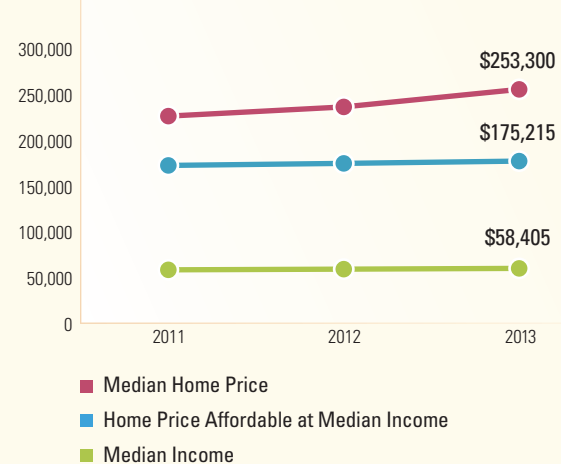
Market Rents are Out of Reach



Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



METHODOLOGY

This report uses a series of five graphs to give a picture of housing needs across Washington State. Data are reported at the regional level, with school district and county-level information aggregated to the regional level. Listed below are data sources, as well as information on related calculations for each graph. Additional information is available upon request.

Homeless Schoolchildren

All data comes from the State of Washington Office of Superintendent of Public Instruction.

Market Rents are Out of Reach

Rent Affordable at Average Wage utilizes the mean renter's wage (per the National Low Income Housing Coalition's Out of Reach 2013 report) to calculate the amount an average renter could spend on housing costs (rent and utilities) without exceeding 30% of the renter's income.

Fair Market Rent for a 2-Bedroom Apartment data was obtained at the county level from the US Department of Housing and Urban Development (HUD).

Median Income Earners Priced Out of Ownership

Median Home Price was obtained from the Washington Center for Real Estate Research.

Home Price Affordable at Median Income is calculated as the amount a median income household could spend on housing costs (mortgage, insurance, taxes, and utilities) without exceeding 30% of the household's total income.

Median Income information came from the American Communities Survey (ACS) 1-year and 3-year estimates.

One Night Count of Homeless People

In Families with Children Under Age 18 and *Total* came from the Washington State Department of Commerce Annual Point in Time Count (2010-2014). These figures represent a one night count of sheltered and unsheltered homeless individuals and families.

Renting a Stretch for Low-Income Households

The *Income Needed to Afford a One-Bedroom Apartment* data was obtained at the county level from HUD.

The *Full-Time Minimum Wage Worker Annual Income* was calculated using the minimum hourly wage from the Washington State Department of Labor and Industries.

The *Veteran Disabled During Active Service* data, which represents the estimated annual veteran's disability pension income for Washington State, comes from the 2013 Veteran's Administration Benefits Report.

The *Social Security—Retired Annual Income* and *Social Security—Disabled* data comes from Social Security Online's Research, Statistics, and Policy Website: <http://www.ssa.gov/policy/index.html>.

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.

Cost Burdened — Defined as a renter or homeowner paying more than 30% of his or her income towards housing costs, including utilities.

Fair Market Rent — A dollar amount set annually by the US Department of Housing and Urban Development (HUD) to indicate the cost of renting the average apartment in a given market.

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."

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

Poverty — Numbers of people living below the poverty line are based on data from the US Census Bureau, which uses a set of money income thresholds that vary by family size and composition. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty.

ABOUT THIS REPORT

The purpose of this report is to give an annual snapshot of the state of affordable housing in Washington.

This report divides Washington State into ten regions based on geographic and demographic similarity. By using these regions, we are better able to provide an analysis of the major indicators of affordable housing need at a level that reflects local and regional trends and conditions.

Regions are divided along county lines, with *King, Clark, Snohomish, Pierce,* and *Spokane* Counties comprising their own distinct regions. The other regions are composed as follows:

North Sound—Island County, San Juan County, Skagit County, and Whatcom County.

West Balance—Clallam County, Cowlitz County, Grays Harbor County, Jefferson County, Klickitat County, Lewis County, Mason County, Pacific County, Skamania County, and Wahkiakum County.

Other Puget Sound Metro—Kitsap County and Thurston County.

East Balance—Adams County, Asotin County, Chelan County, Columbia County, Douglas County, Ferry County, Garfield County, Grant County, Kittitas County, Lincoln County, Okanogan County, Pend Oreille County, Stevens County, Walla Walla County, and Whitman County.

Yakima/Tri-Cities—Benton County, Franklin County, and Yakima County.

REGIONAL ANALYSIS

Washington State residents saw modest economic improvements in 2013. Median household income increased for the majority of the state. More homeowners were able to afford their mortgages and other housing costs. And fewer families lived below the poverty line. Despite these positive markers, housing costs continued to rise, making it unclear how long we will be able to maintain these gains.

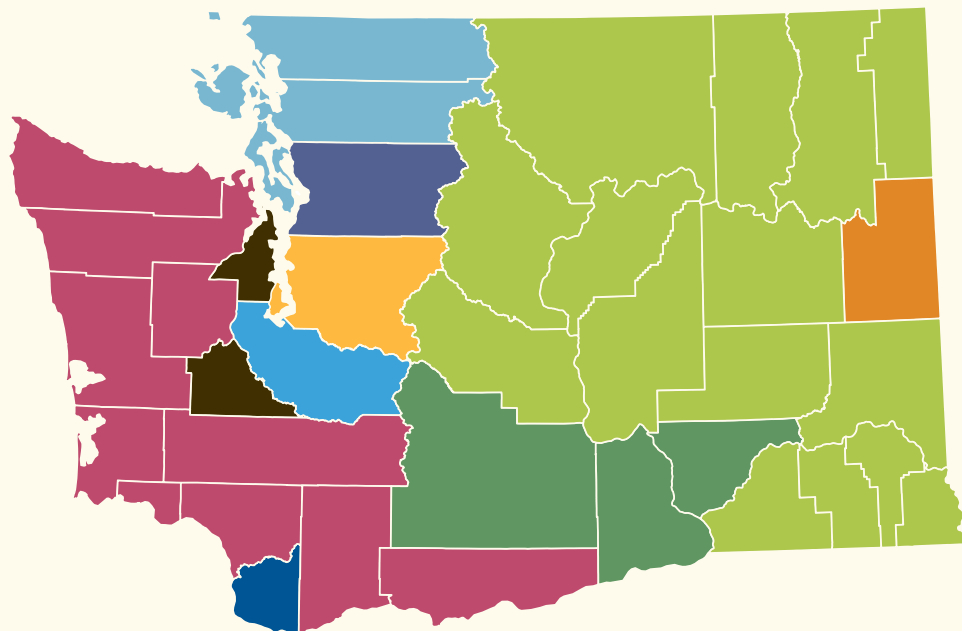
In 2013, median household income increased in Washington State (1.4%). Four regions drove this increase: Clark County (3.4%), East Balance (4.1%), King County (4.0%), and Other Puget Sound Metro (4.4%). The remaining counties remained within 1% of last year's median household income, with the exception of a 3.8% decrease in income in North Sound.

Increased income and other economic factors may have eased the challenges of home ownership. Cost-burdened owners, those paying over a third of their income to housing, decreased from 37% to 34%. Both East Balance and Pierce County saw a 5% decrease in cost-burdened owners, with the remaining regions seeing 1% to 3% decreases.

Despite the positive economic news, 9 out of the 10 regions saw increases in homeless schoolchildren, resulting in an overall 12% increase of homeless students across the state. In a first-ever for this publication, we included the most recent One Night Count numbers from 2014. Out of the 10 regions, 9 reported overall increases in homeless individuals. This translates into a 6% increase from 2013 to 2014, breaking a four-year streak of decreasing numbers.

Regions

- Clark
- East Balance
- King
- North Sound
- Other Puget Sound Metro
- Pierce
- Snohomish
- Spokane
- West Balance
- Yakima/Tri-Cities



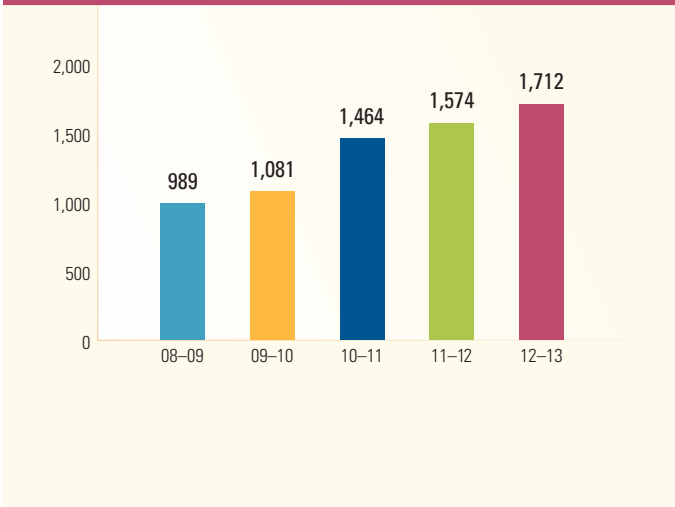


CLARK COUNTY

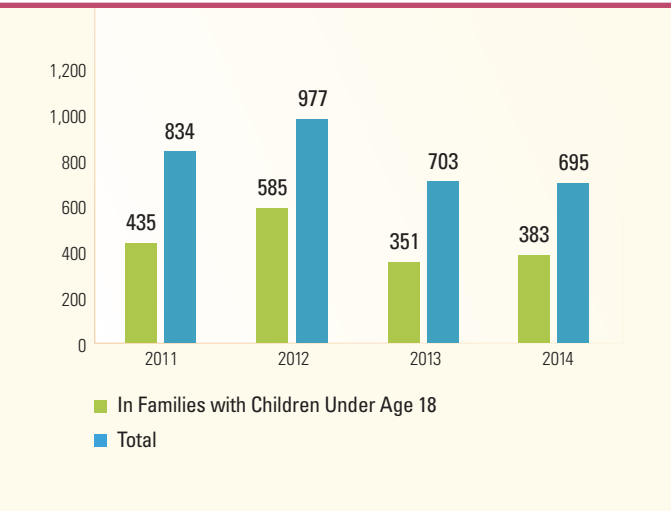
Clark County Statistics

Number of Families	111,361
Median Annual Income	\$57,588
Cost Burdened Owners	32%
Cost Burdened Renters	49%
Below Poverty Line	6%

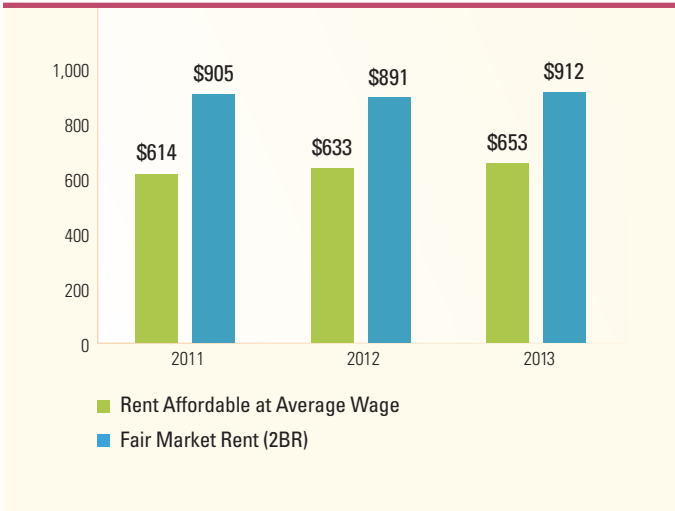
Homeless Schoolchildren



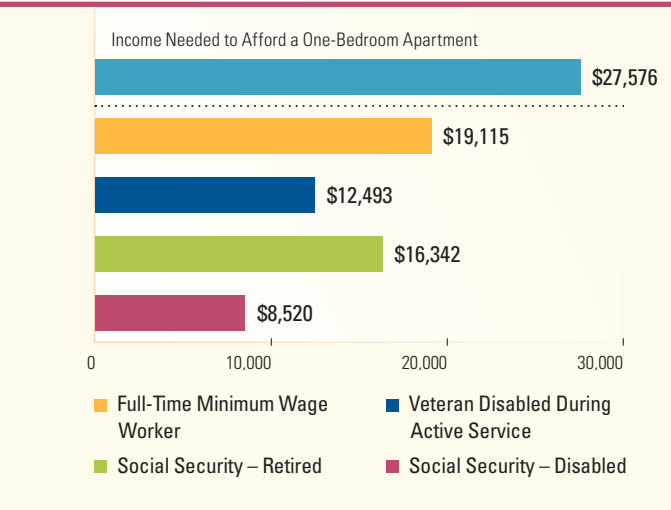
One Night Count of Homeless People



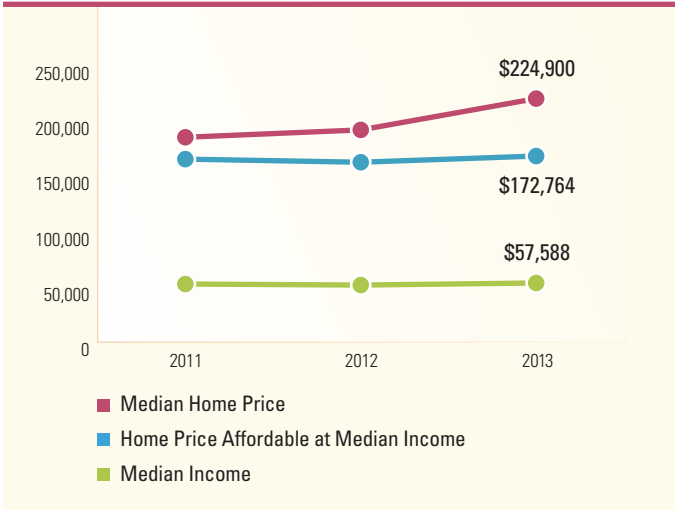
Market Rents are Out of Reach

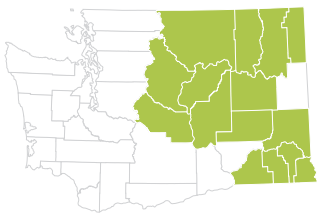


Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



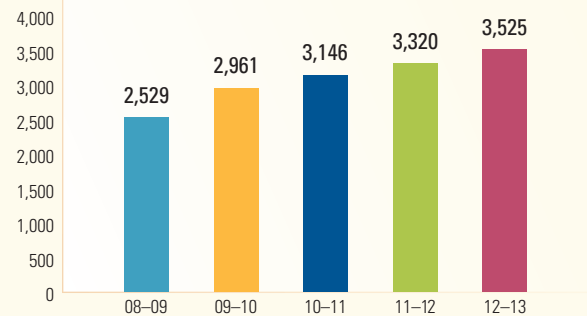


EAST BALANCE

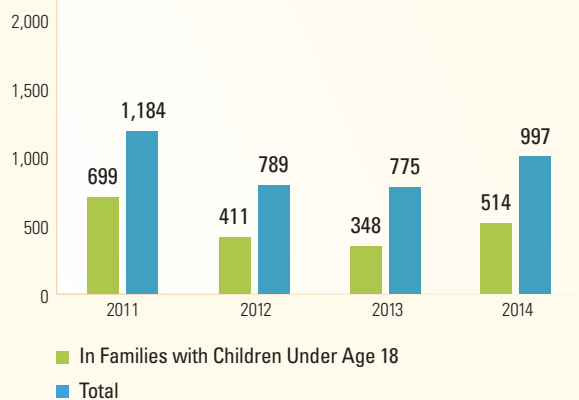
East Balance Counties Statistics

Number of Families	112,120
Median Annual Income	\$44,259
Cost Burdened Owners	33%
Cost Burdened Renters	53%
Below Poverty Line	9%

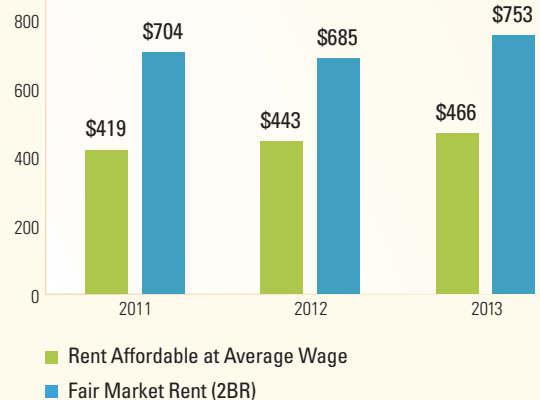
Homeless Schoolchildren



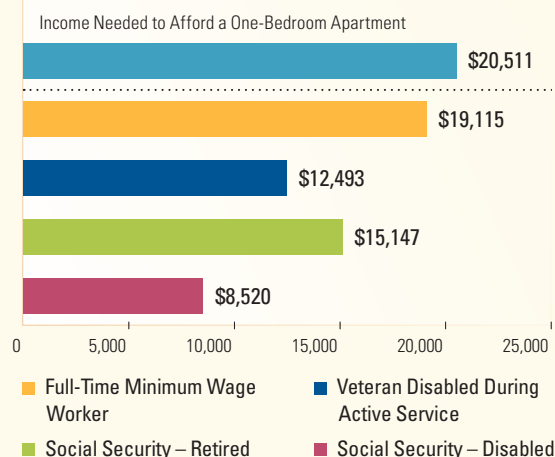
One Night Count of Homeless People



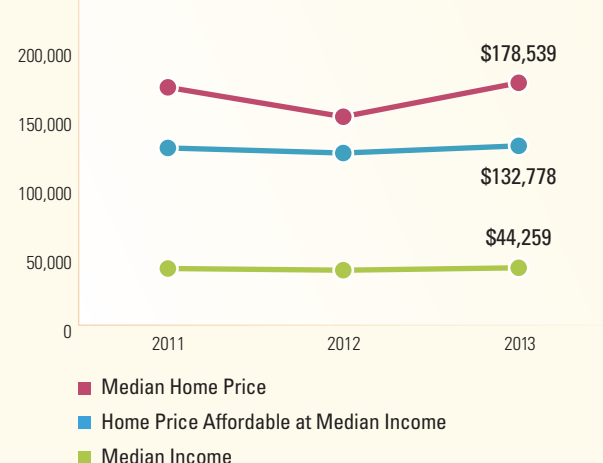
Market Rents are Out of Reach



Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



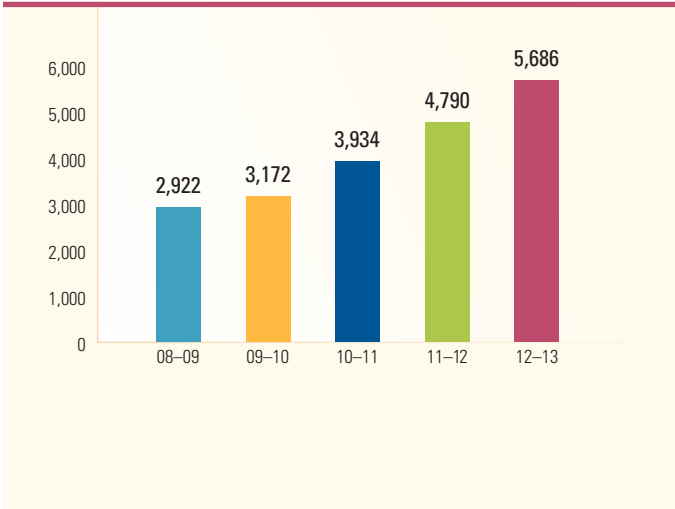


KING COUNTY

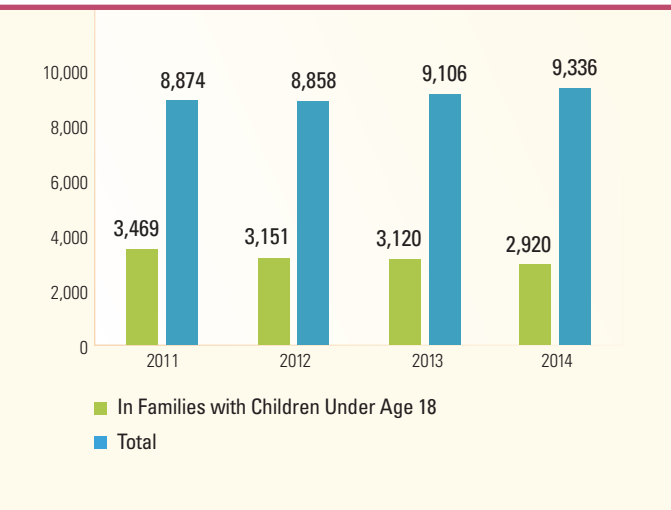
King County Statistics

Number of Families	489,518
Median Annual Income	\$71,834
Cost Burdened Owners	35%
Cost Burdened Renters	48%
Below Poverty Line	5%

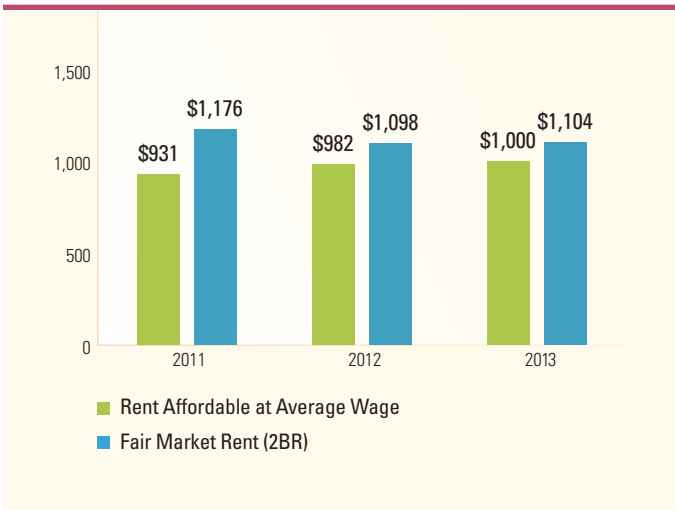
Homeless Schoolchildren



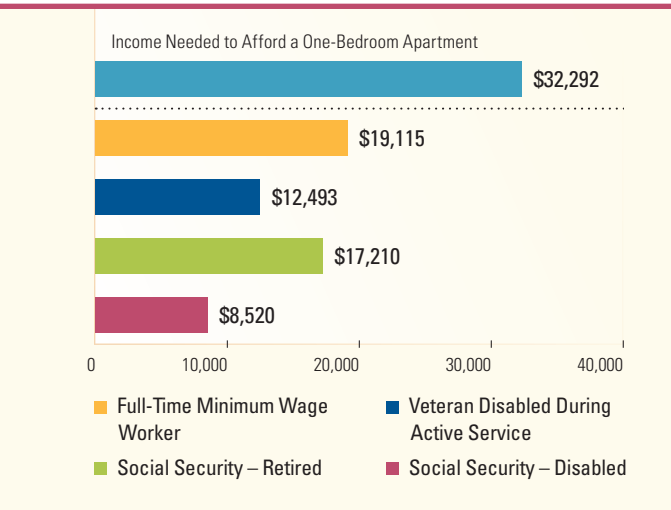
One Night Count of Homeless People



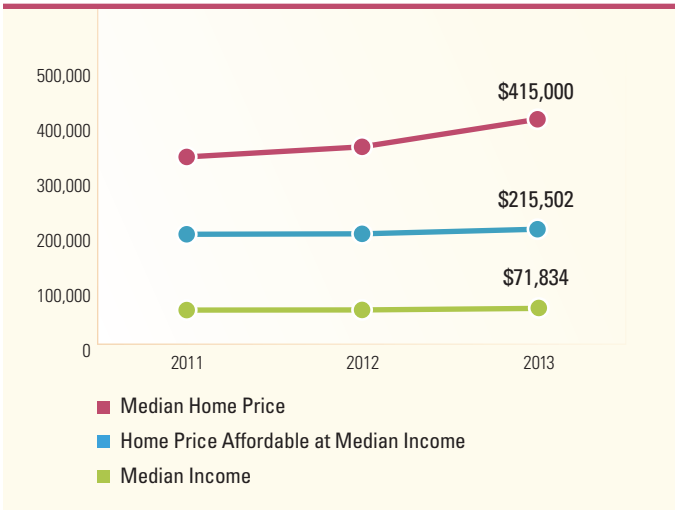
Market Rents are Out of Reach



Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



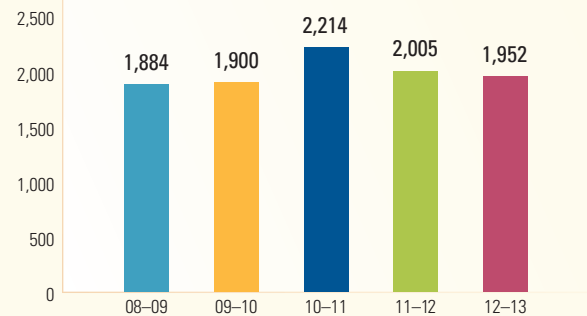


NORTH SOUND

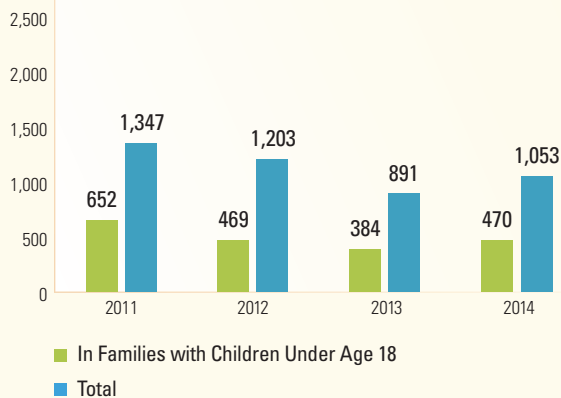
North Sound Counties Statistics

Number of Families	100,462
Median Annual Income	\$51,184
Cost Burdened Owners	36%
Cost Burdened Renters	57%
Below Poverty Line	7%

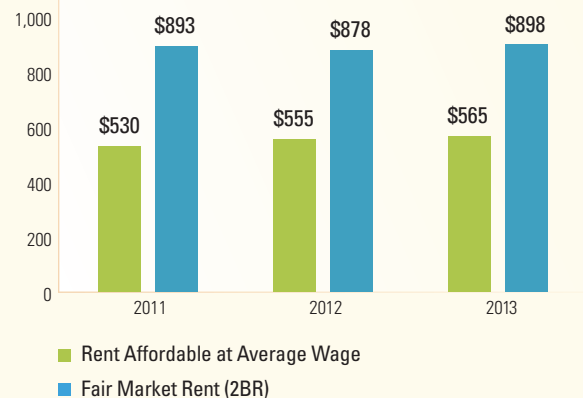
Homeless Schoolchildren



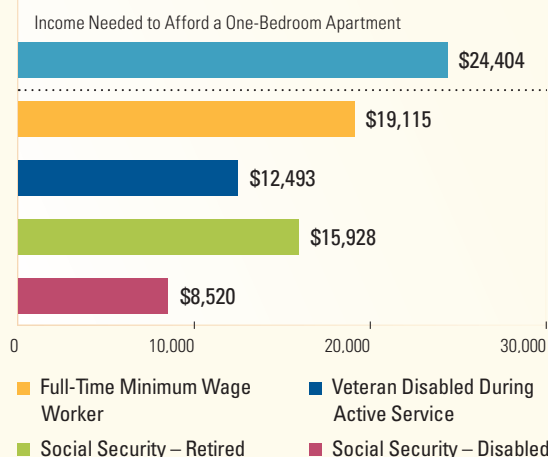
One Night Count of Homeless People



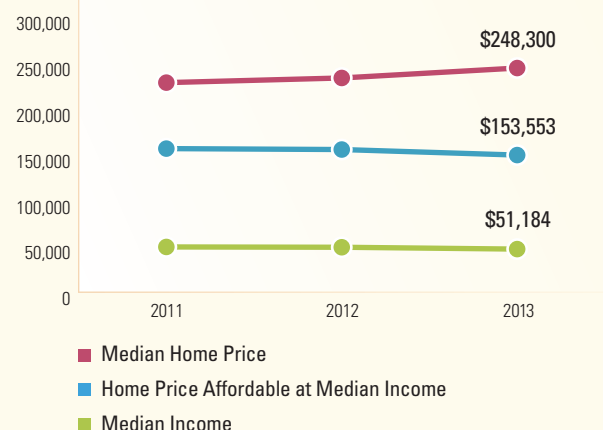
Market Rents are Out of Reach

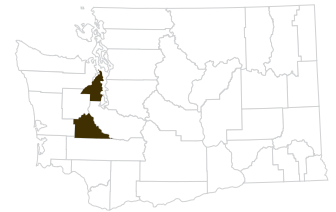


Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



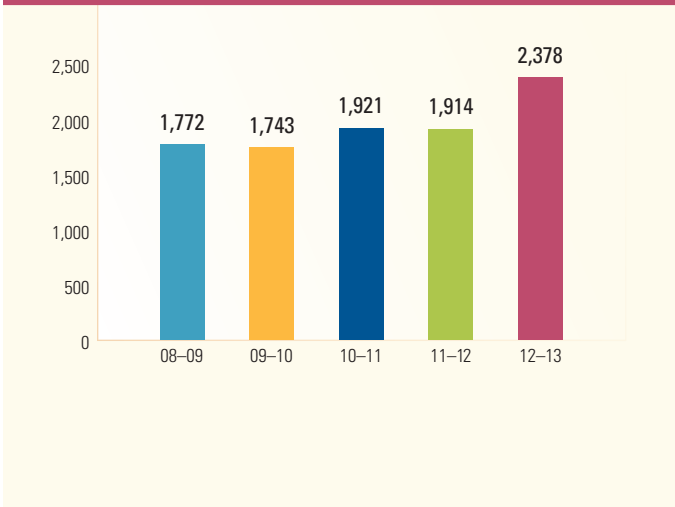


OTHER PUGET SOUND METRO

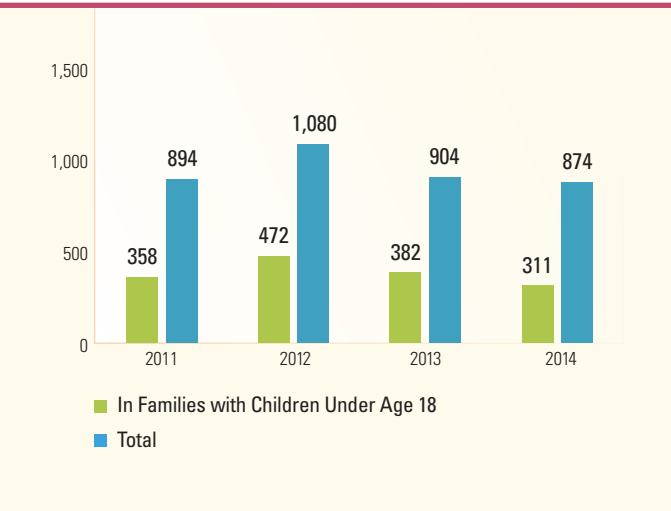
Other Puget Sound Metro Counties Statistics

Number of Families	130,943
Median Annual Income	\$61,205
Cost Burdened Owners	34%
Cost Burdened Renters	54%
Below Poverty Line	6%

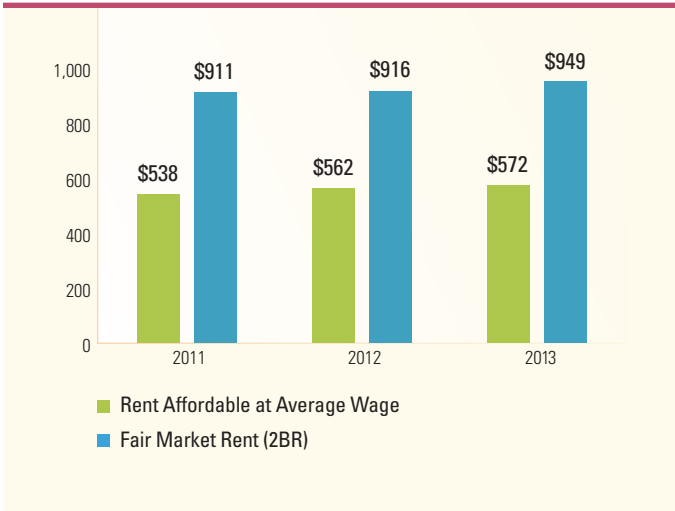
Homeless Schoolchildren



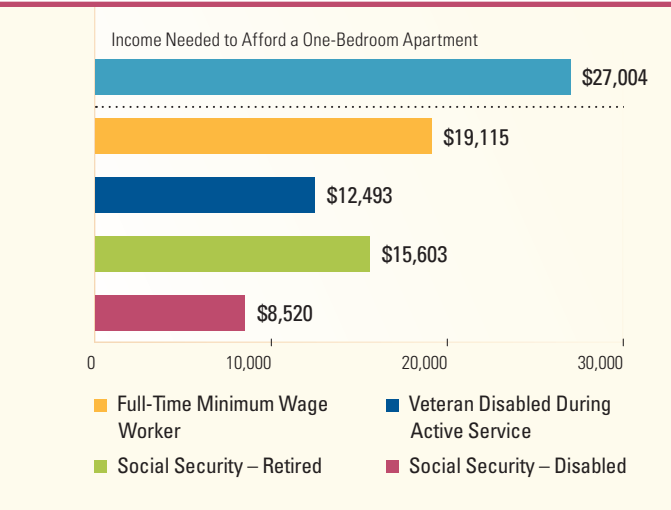
One Night Count of Homeless People



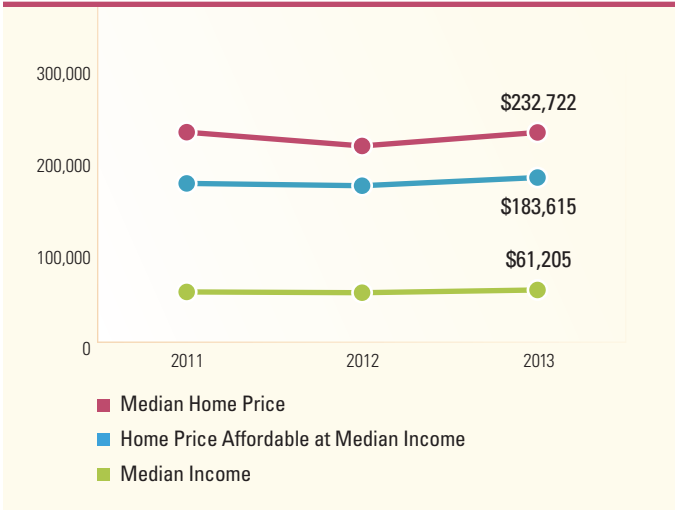
Market Rents are Out of Reach



Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



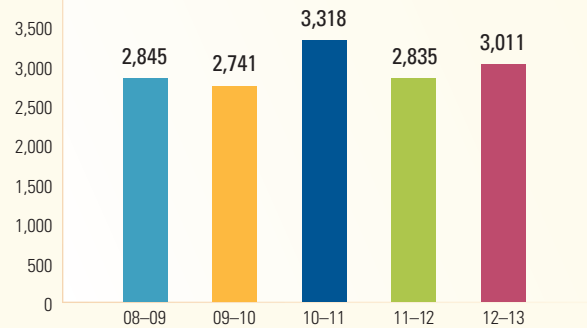


PIERCE COUNTY

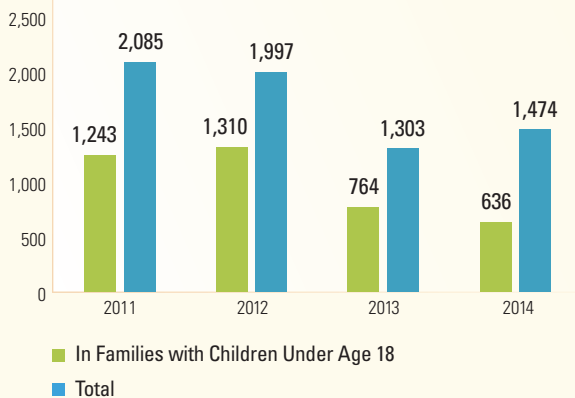
Pierce County Statistics

Number of Families	202,772
Median Annual Income	\$57,660
Cost Burdened Owners	35%
Cost Burdened Renters	54%
Below Poverty Line	6%

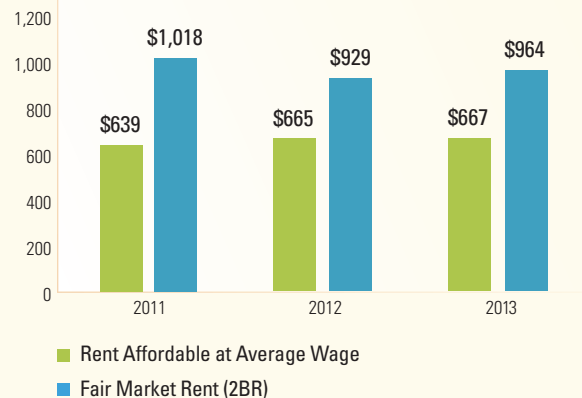
Homeless Schoolchildren



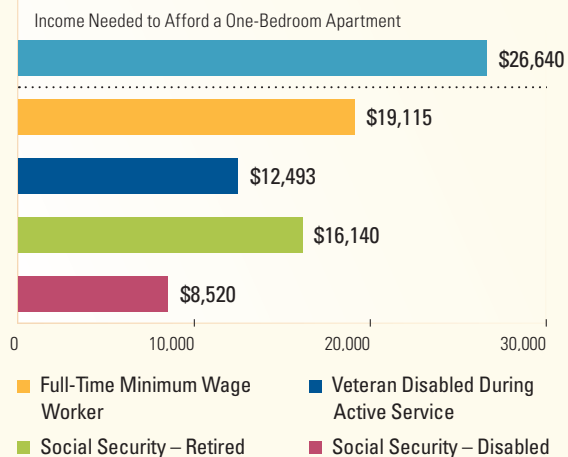
One Night Count of Homeless People



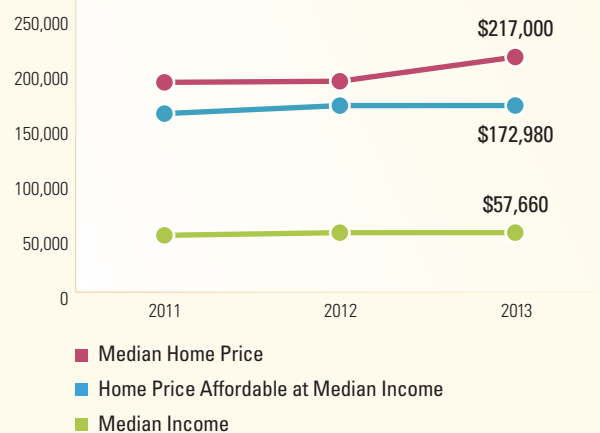
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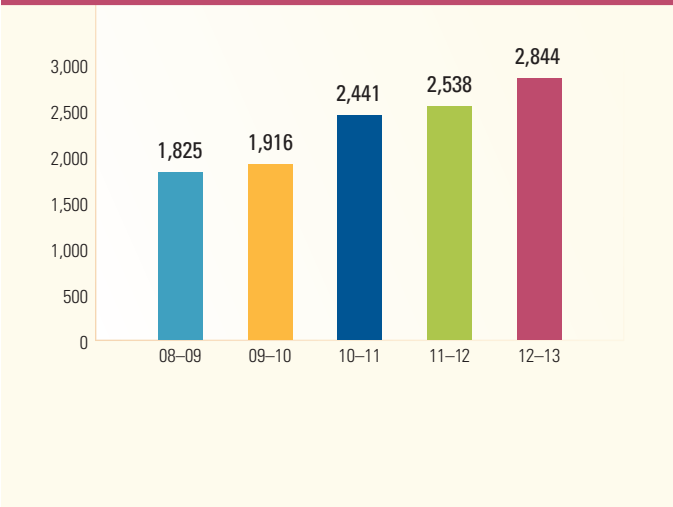


SNOHOMISH COUNTY

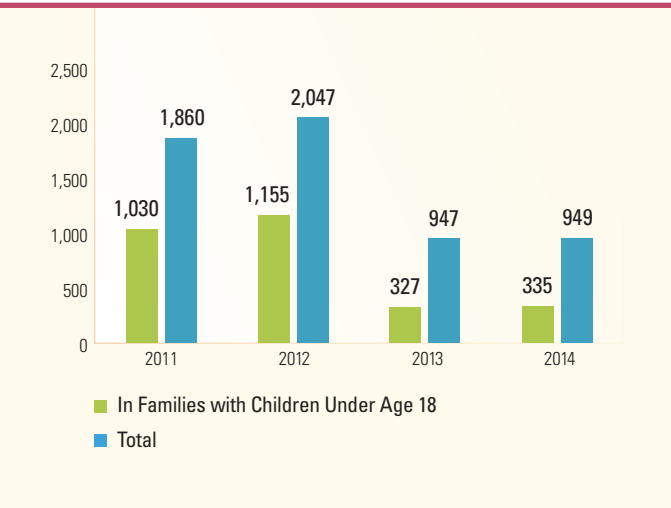
Snohomish County Statistics

Number of Families	182,921
Median Annual Income	\$67,394
Cost Burdened Owners	38%
Cost Burdened Renters	51%
Below Poverty Line	5%

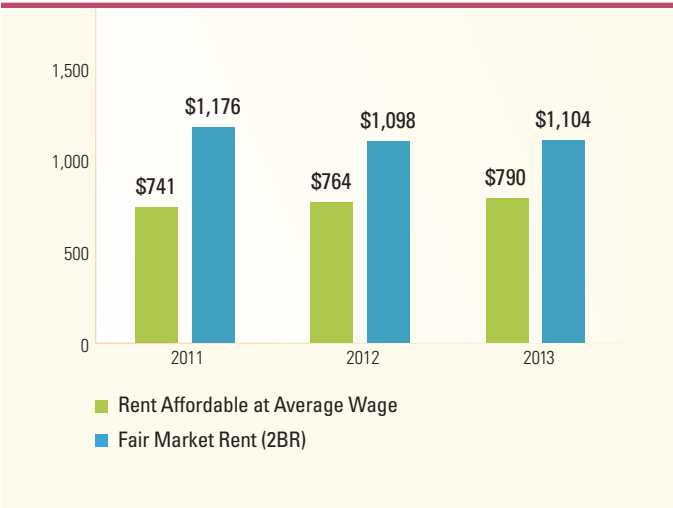
Homeless Schoolchildren



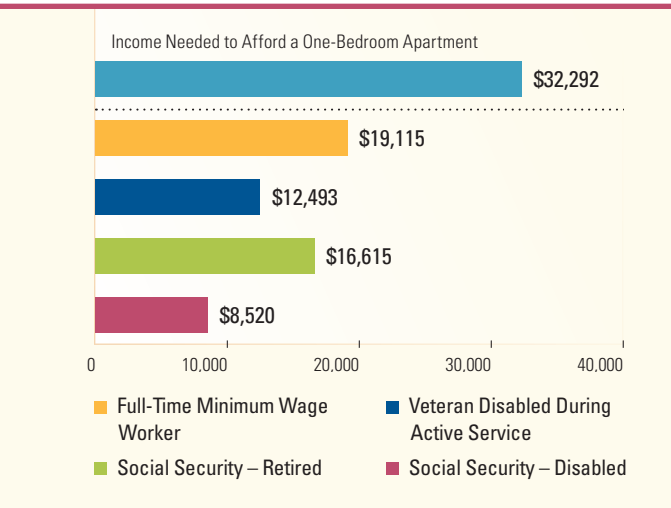
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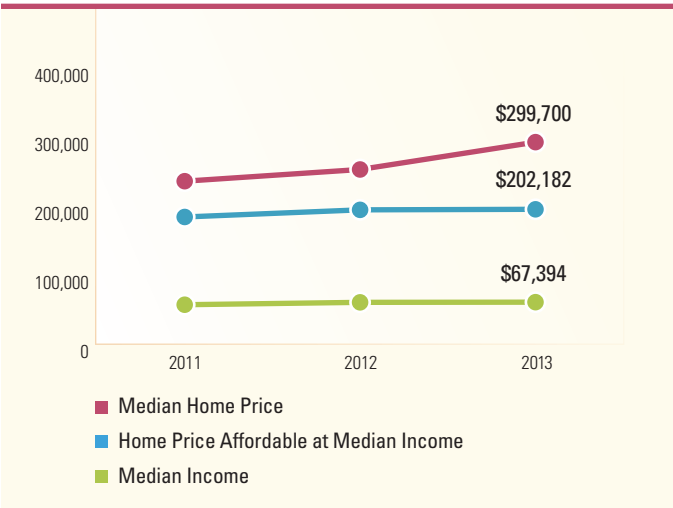
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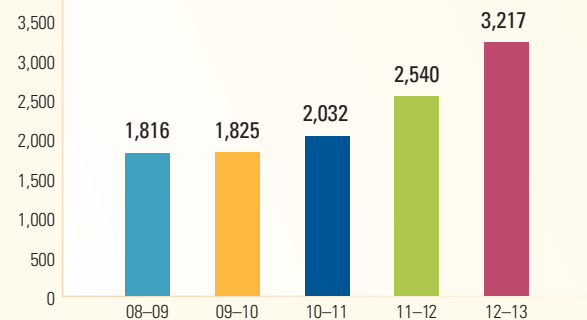


SPOKANE COUNTY

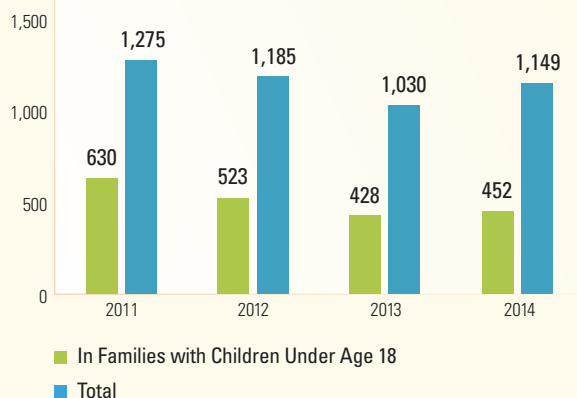
Spokane County Statistics

Number of Families	114,660
Median Annual Income	\$47,576
Cost Burdened Owners	32%
Cost Burdened Renters	54%
Below Poverty Line	6%

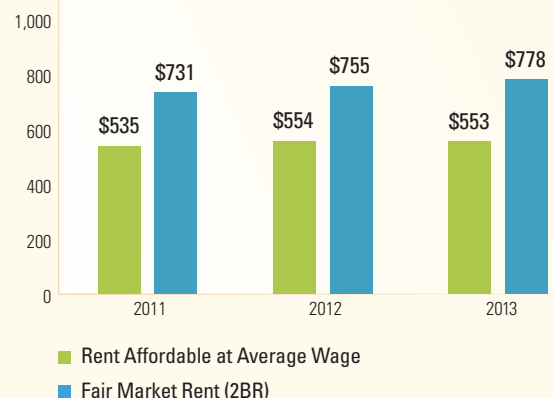
Homeless Schoolchildren



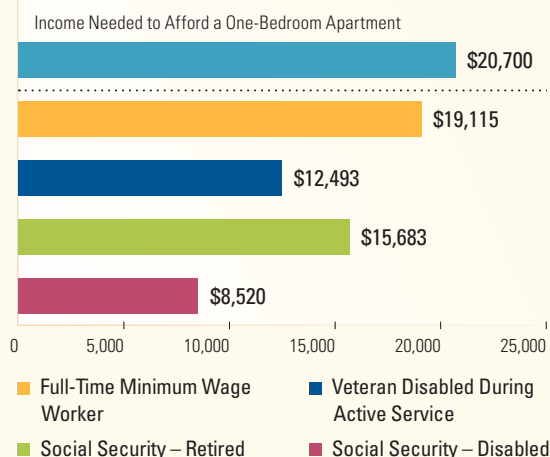
One Night Count of Homeless People



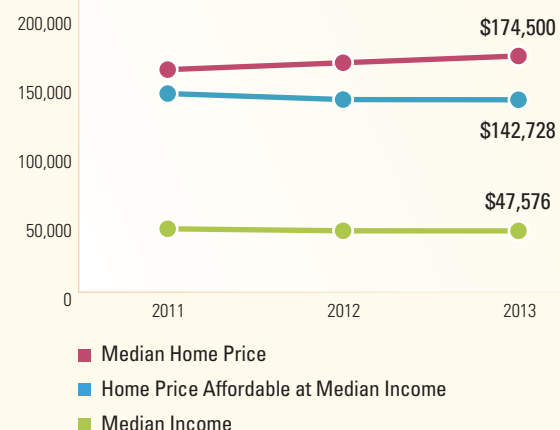
Market Rents are Out of Reach



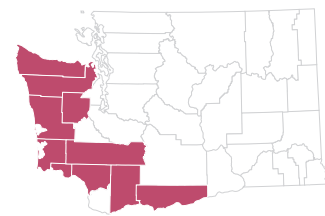
Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



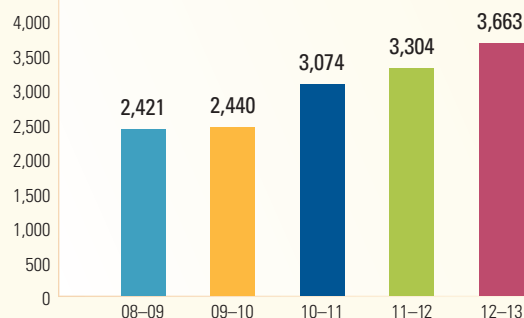
WEST BALANCE



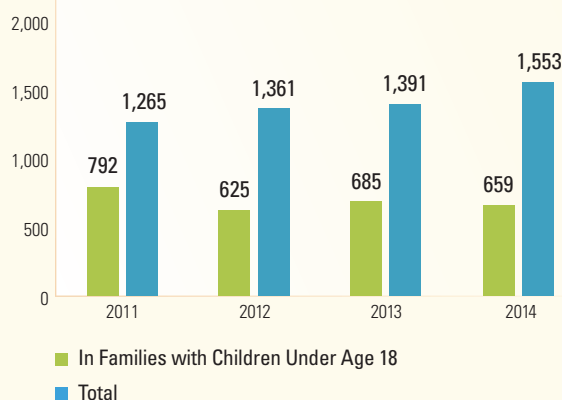
West Balance Counties Statistics

Number of Families	115,246
Median Annual Income	\$44,437
Cost Burdened Owners	37%
Cost Burdened Renters	55%
Below Poverty Line	7%

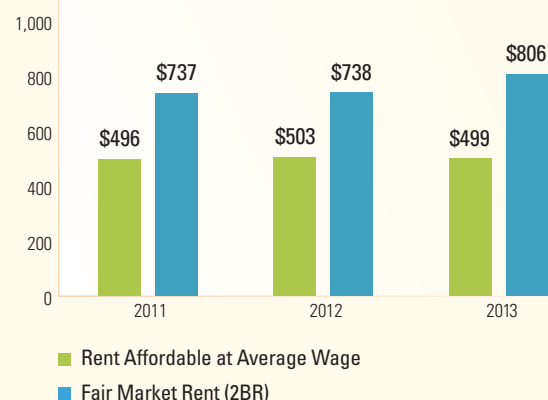
Homeless Schoolchildren



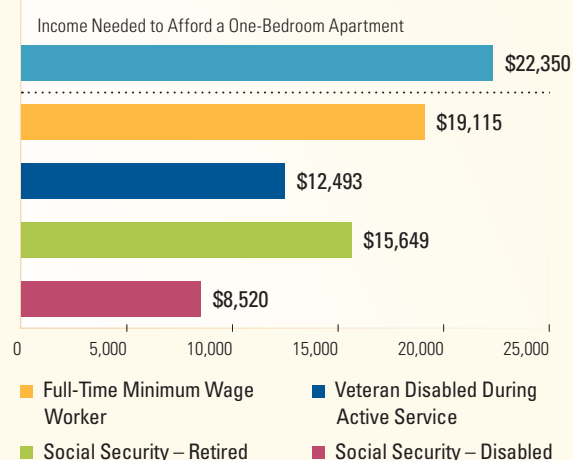
One Night Count of Homeless People



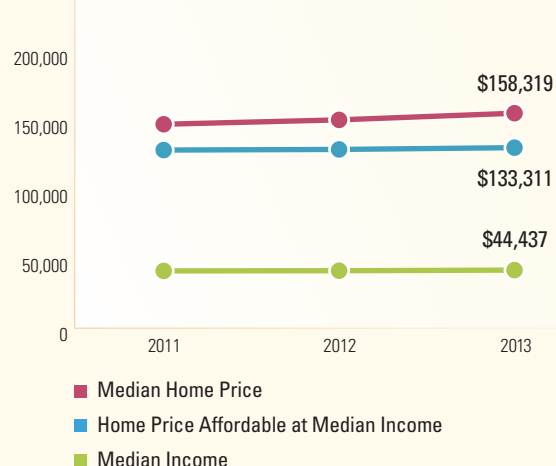
Market Rents are Out of Reach



Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



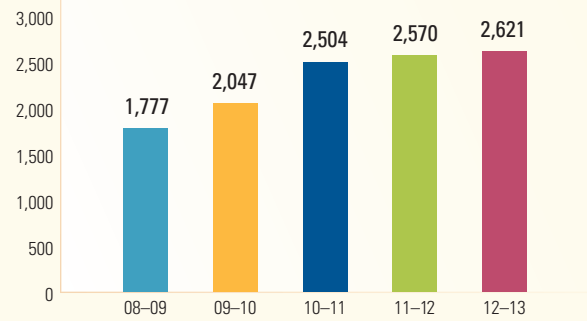


YAKIMA / TRI-CITIES

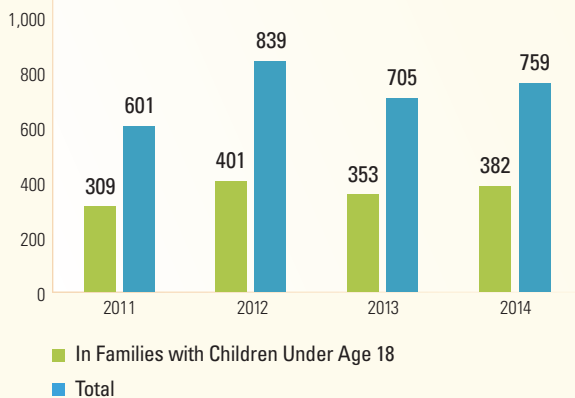
Yakima / Tri-Cities Counties Statistics

Number of Families	124,539
Median Annual Income	\$50,458
Cost Burdened Owners	30%
Cost Burdened Renters	50%
Below Poverty Line	10%

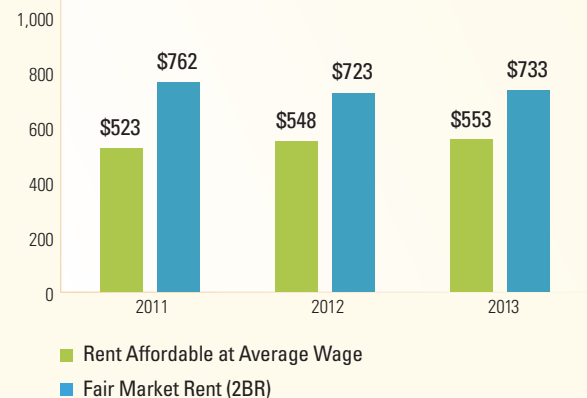
Homeless Schoolchildren



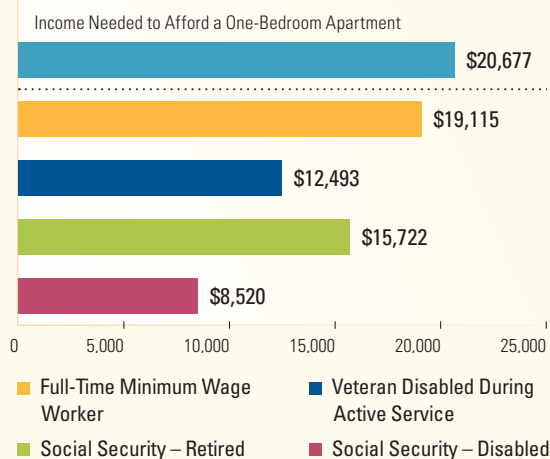
One Night Count of Homeless People



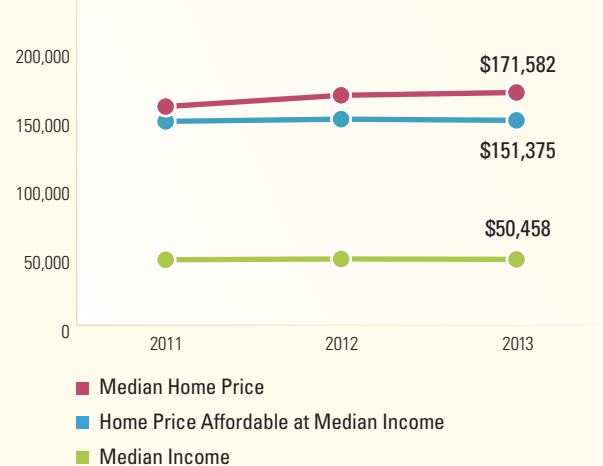
Market Rents are Out of Reach



Renting a Stretch for Low-Income Households



Median Income Earners Priced Out of Ownership



SOURCES CONSULTED

Bureau of Labor Statistics

Center for Responsible Lending

National Low Income Housing Coalition Out of Reach Report

Point-In-Time Count of Homeless People

Social Security Administration

US Bureau of the Census American Communities Survey

Washington State Center for Real Estate Research

Washington State Department of Veterans Affairs

Washington State Economic and Revenue Forecast Council

Washington State Employment Security Department

Washington State Office of Financial Management

Working Poor Families Project



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