



Department of Commerce

Drivers of Homelessness

August 2018

We Strengthen Communities

The Department of Commerce touches many aspects of community and economic development. We work with local governments, businesses, and civic leaders to strengthen communities so all Washington residents may thrive and prosper.



Planning



Infrastructure



Community
Facilities



Housing



Safety /
Crime Victims



Business
Assistance



Project-level reporting for all projects receiving any public homeless funds (federal, state, county, city)

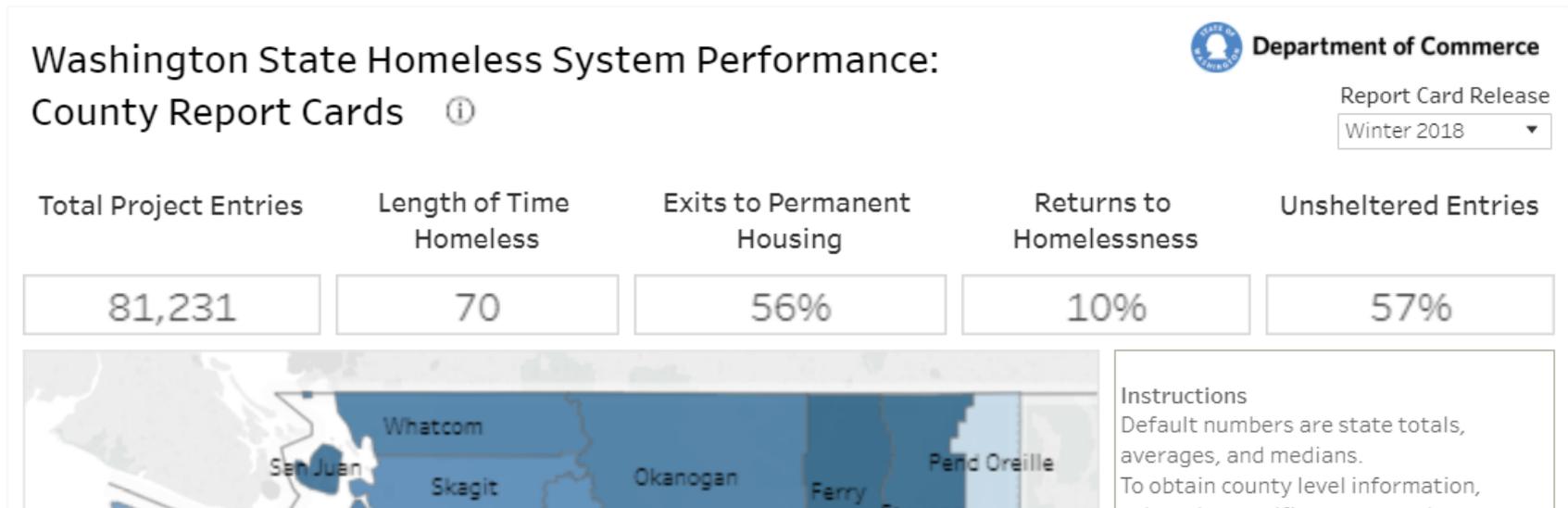
Information available include:

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

Project Name	Veteran Households with adults and children	Veteran Households without children 18-24	Veteran Households without children 25+	Veteran Households without children age category unknown	Veteran Households Unknown Household Type	Total Operating Cost in Calendar Year	Cost per Day per Household	Cost of all Successful Exits	Cost Per Successfully exited Household	Exited HH Total Days	Cost of all Exits	Cost per Exited HH	Cost per Exit to Permanent Housing
BCAESG RRH - Benton	1		1			\$ 66,199	\$ 10	\$ 54,204	\$ 1,643	9201	\$ 87,451	\$ 1,166	\$ 2,006
BCAESG HP - Benton	2	0	0	0	0	\$ 82,616	\$ 21	\$ 58,895	\$ 1,900	4019	\$ 85,886	\$ 1,909	\$ 2,665
BHSEmergency Housing Assistance C	4		3			\$ 182,831	\$ 119	\$ 103,814	\$ 3,460	1224	\$ 145,221	\$ 3,300	\$ 6,094
DVSShelter 2163	0	0	0	0	0	\$ 128,072	\$ 59	\$ 38,829	\$ 1,339	2148	\$ 126,949	\$ 1,567	\$ 4,416
BCABenton 2163 - Prevention/Rent H	0	0	0	0	0	\$ 64,183	\$ 19	\$ 45,781	\$ 1,990	3325	\$ 61,929	\$ 1,998	\$ 2,791
BCACDBG HP - Benton	0	0	0	0	0	\$ 24,415	\$ 15	\$ 19,830	\$ 862	1436	\$ 21,803	\$ 908	\$ 1,062

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)



<https://public.tableau.com/profile/comhau#!/vizhome/CountyReportCardWinter2018/ReportCard>



State performance-based contracts with counties –

Performance requirements are for the entire system, not just state funded projects.

Contract terms require improvement toward benchmarks. Technical assistance offered to all on how to improve performance. Counties failing to meet targets enter into corrective action, receive technical assistance, and can lose a portion of funding mid-contract. Continued failure may lead to finding a different lead grantee for county (such as a neighboring county or a non-profit organization).

Performance added in 2014, updated in 2016, significant expansion completed July 2017

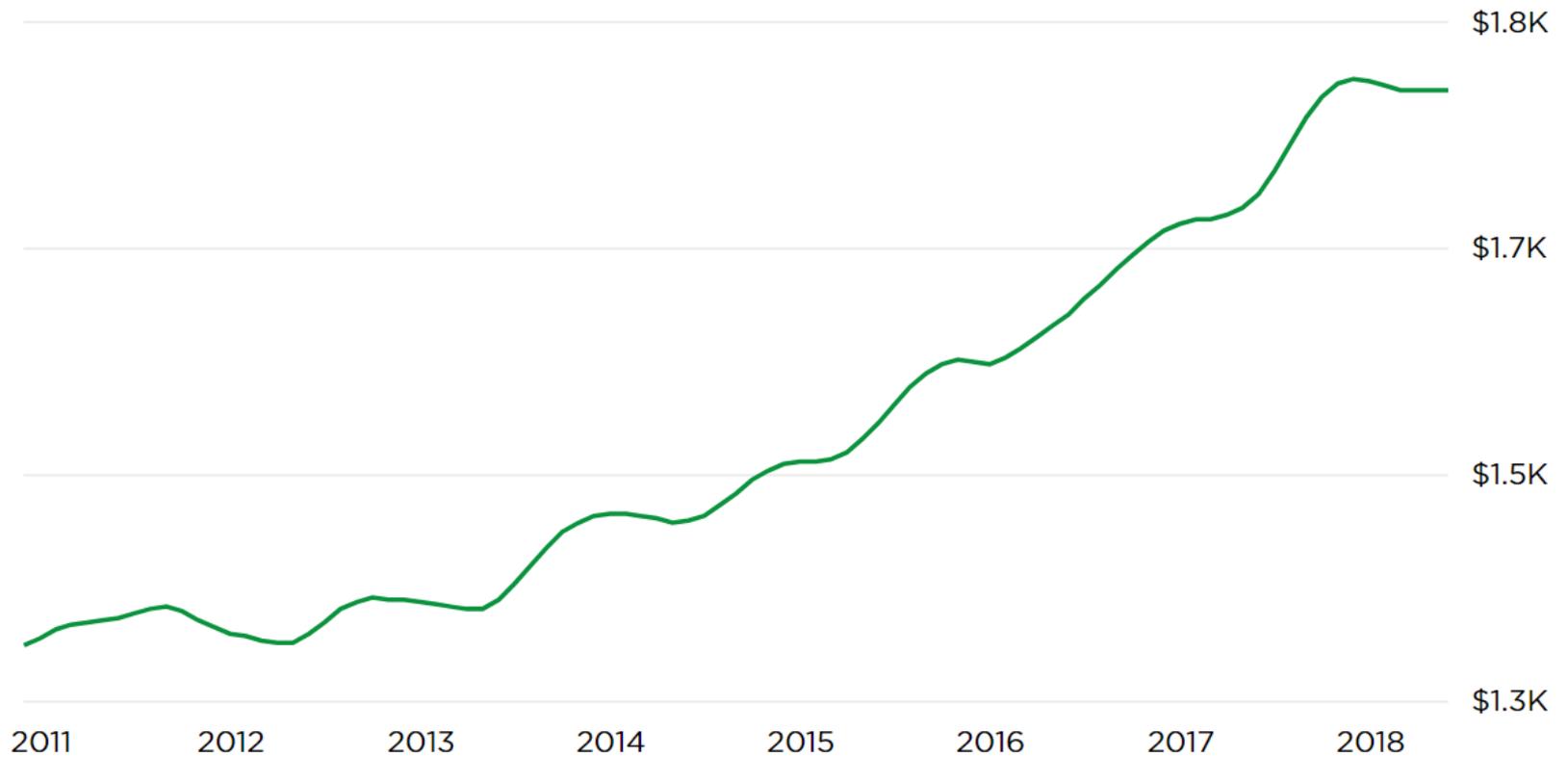
Intervention Type	Required	Performance Measure	Data Source	Acceptable Progress (Minimum Change from Baseline)	Performance Target
Emergency Shelter	x	Increase Percent Exits to Permanent Housing	HMIS: HUD Homeless System Performance Report Measure 7	Increase by at least 5 percentage points	At Least 50%
		Reduce Median Length of Time Persons Remain Homeless (Length of Stay)	HMIS: HUD Homeless System Performance Report Measure 1 B	Decrease by at least 5 days	20 Days or Less
		Reduce Average Length of Time Persons Remain Homeless	HMIS: HUD Homeless System Performance Report	Decrease by at least 5 days	20 Days or Less

http://www.commerce.wa.gov/wp-content/uploads/2015/11/hau-chg-guidelines-2017-2019_Version-2.Revised-7.10.17.pdf



Increased Rents in Washington

May 2018 — Washington \$1,837/mo



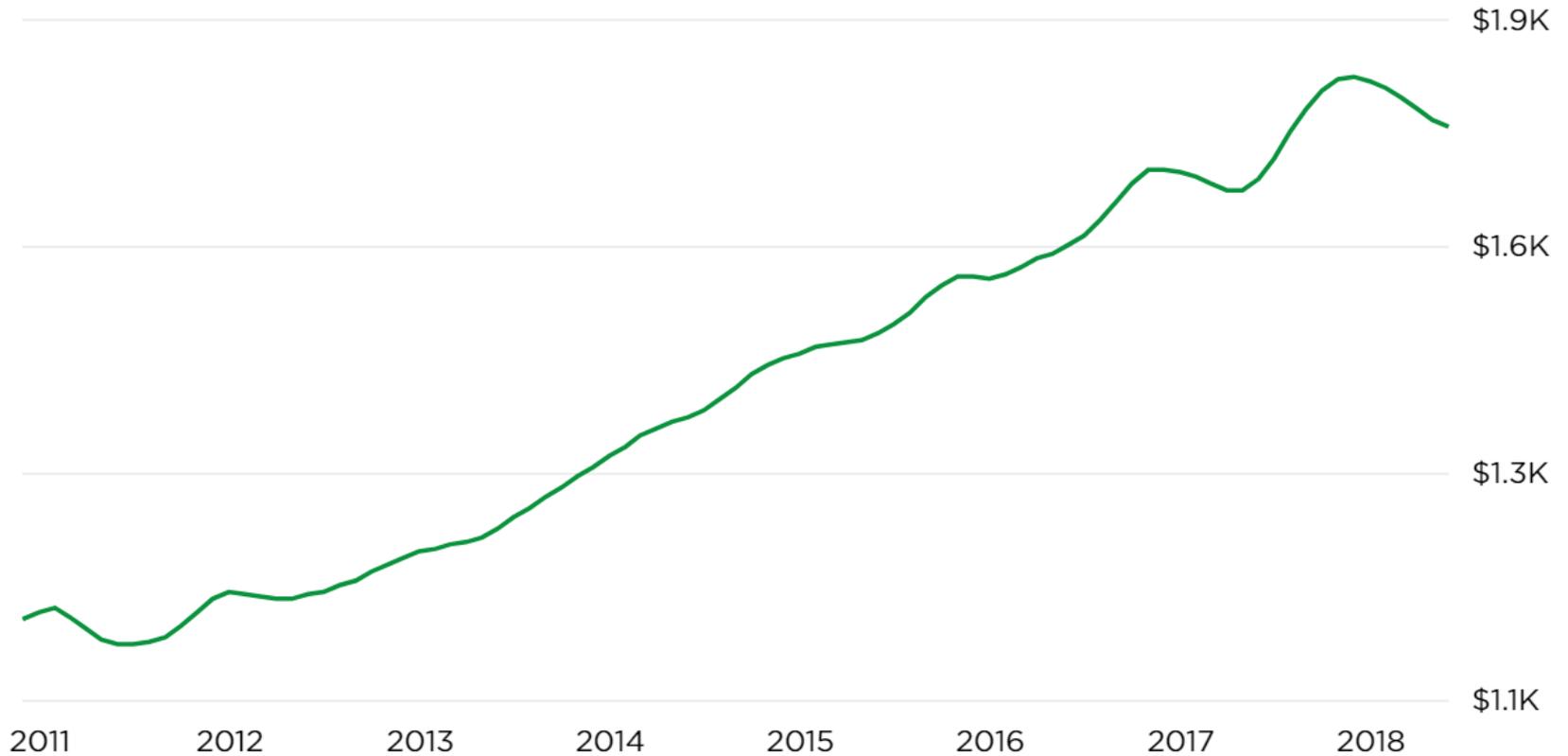
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in King County

May 2018 — King County \$1,783/mo



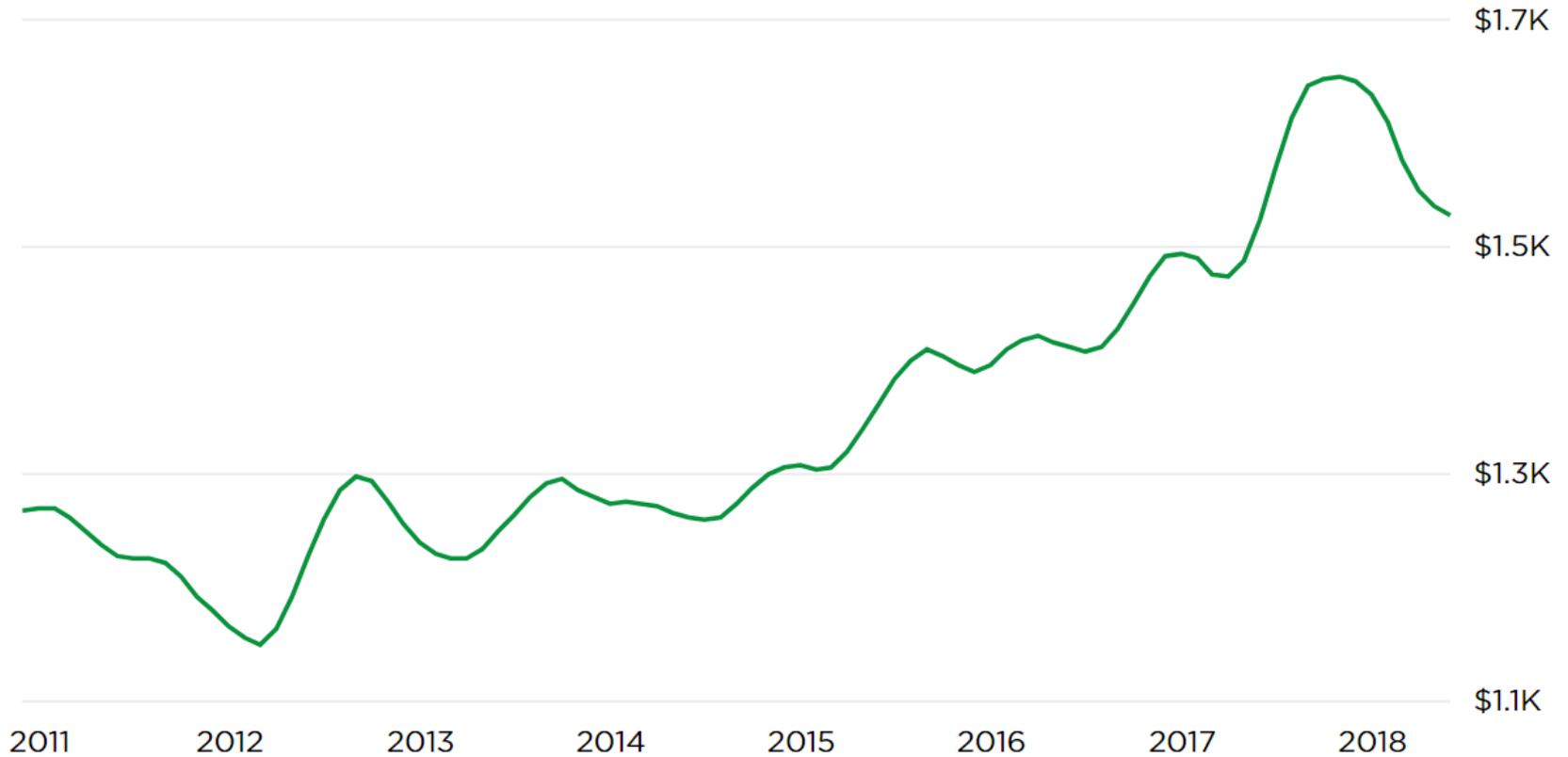
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Whatcom County

May 2018 — Whatcom County \$1,587/mo



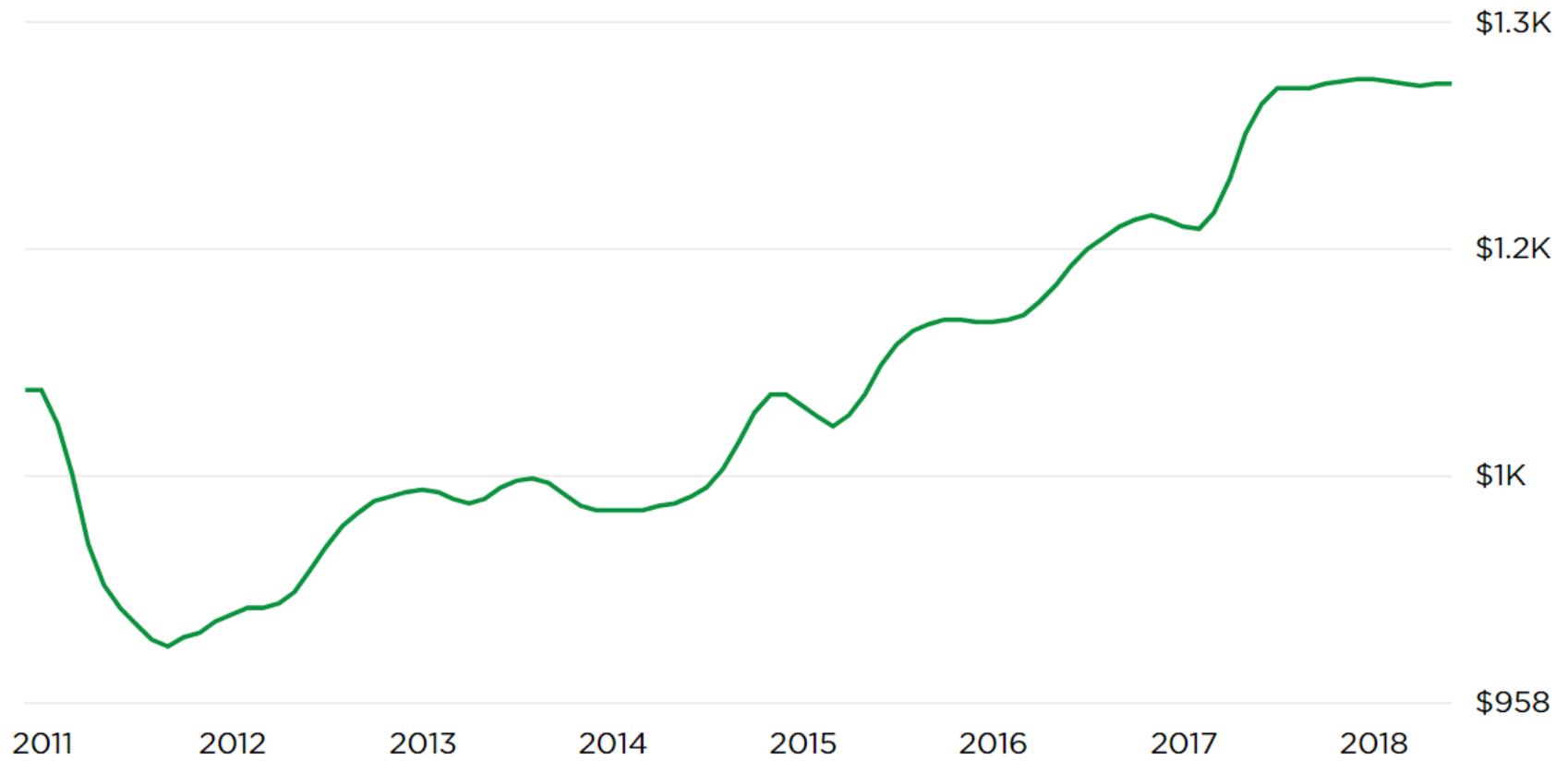
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Spokane County

May 2018 — Spokane County \$1,338/mo



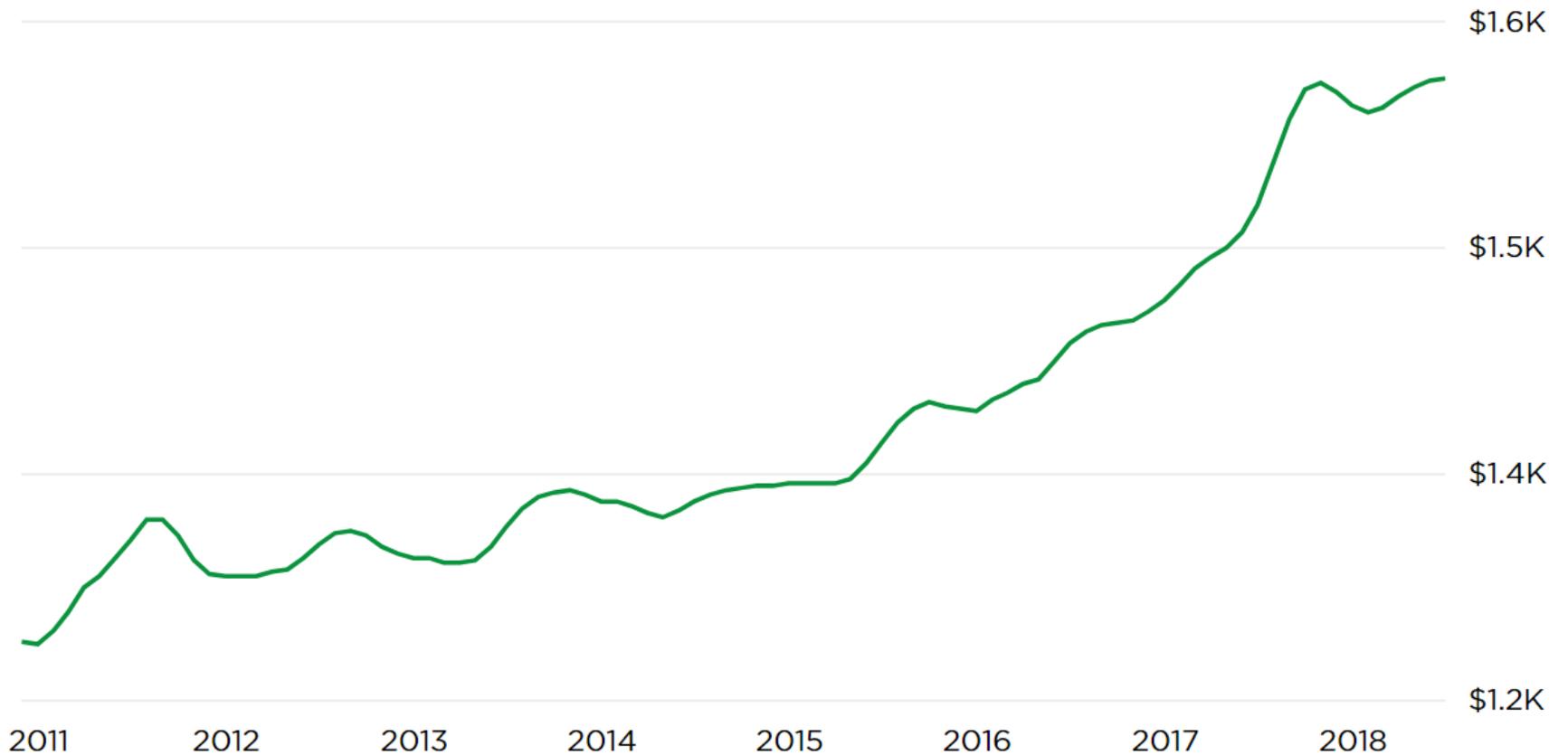
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Thurston County

Jun 2018 — Thurston County \$1,644/mo



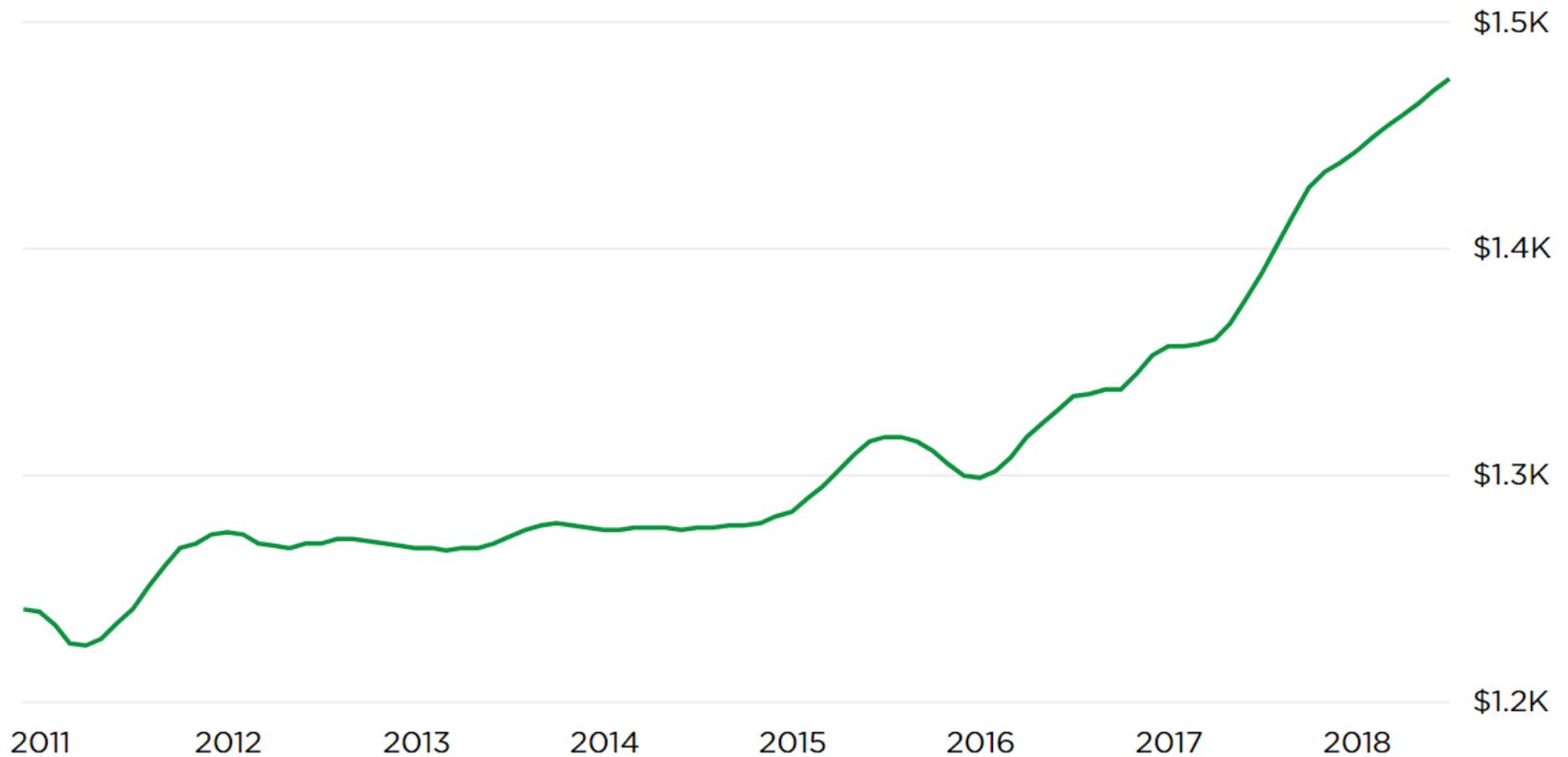
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Yelm

Jun 2018 — Yelm \$1,528/mo



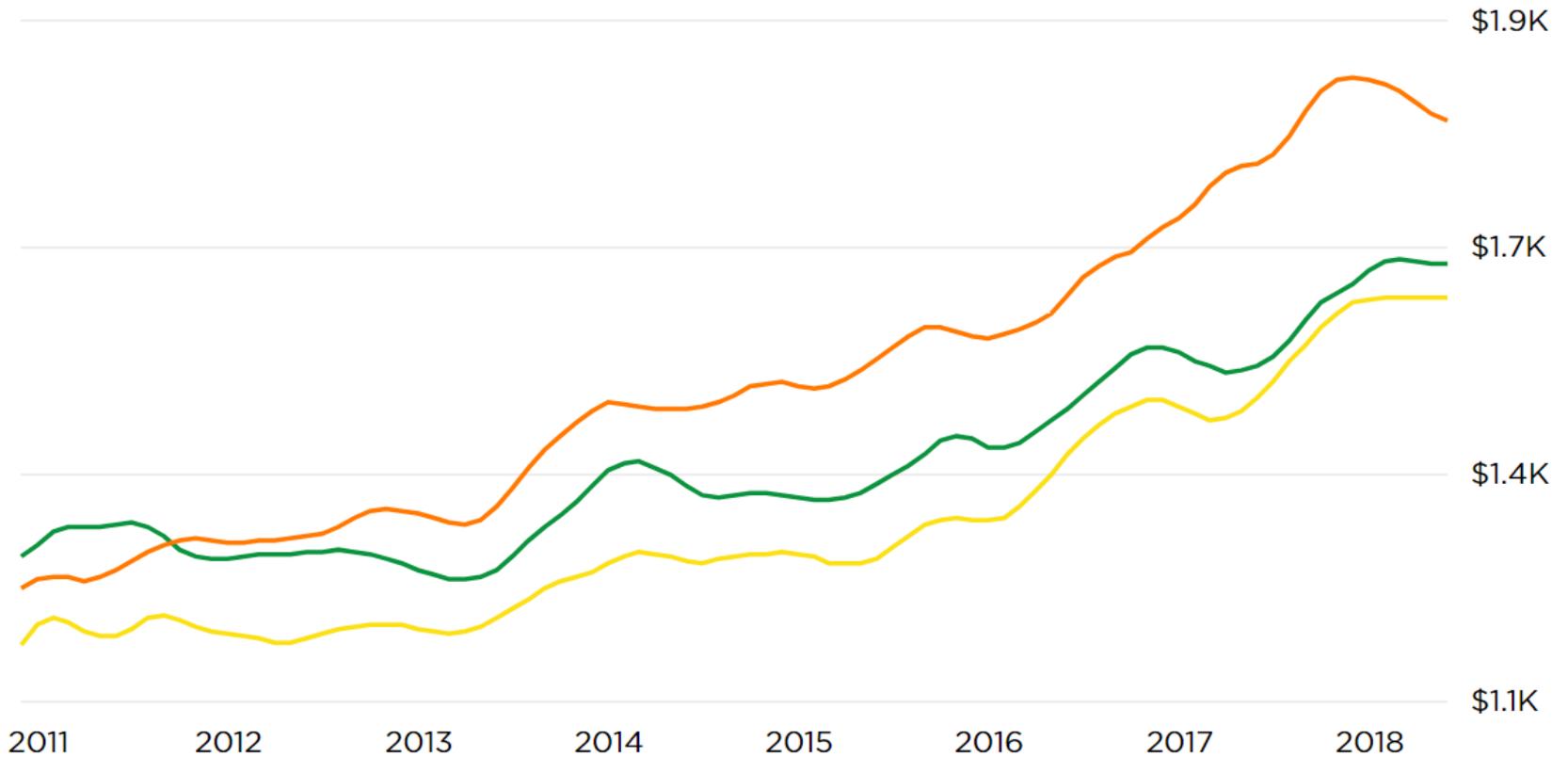
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in lower cost areas served by Sound Transit

May 2018 — Lakewood \$1,680/mo — Everett \$1,850/mo — Tacoma \$1,641/mo

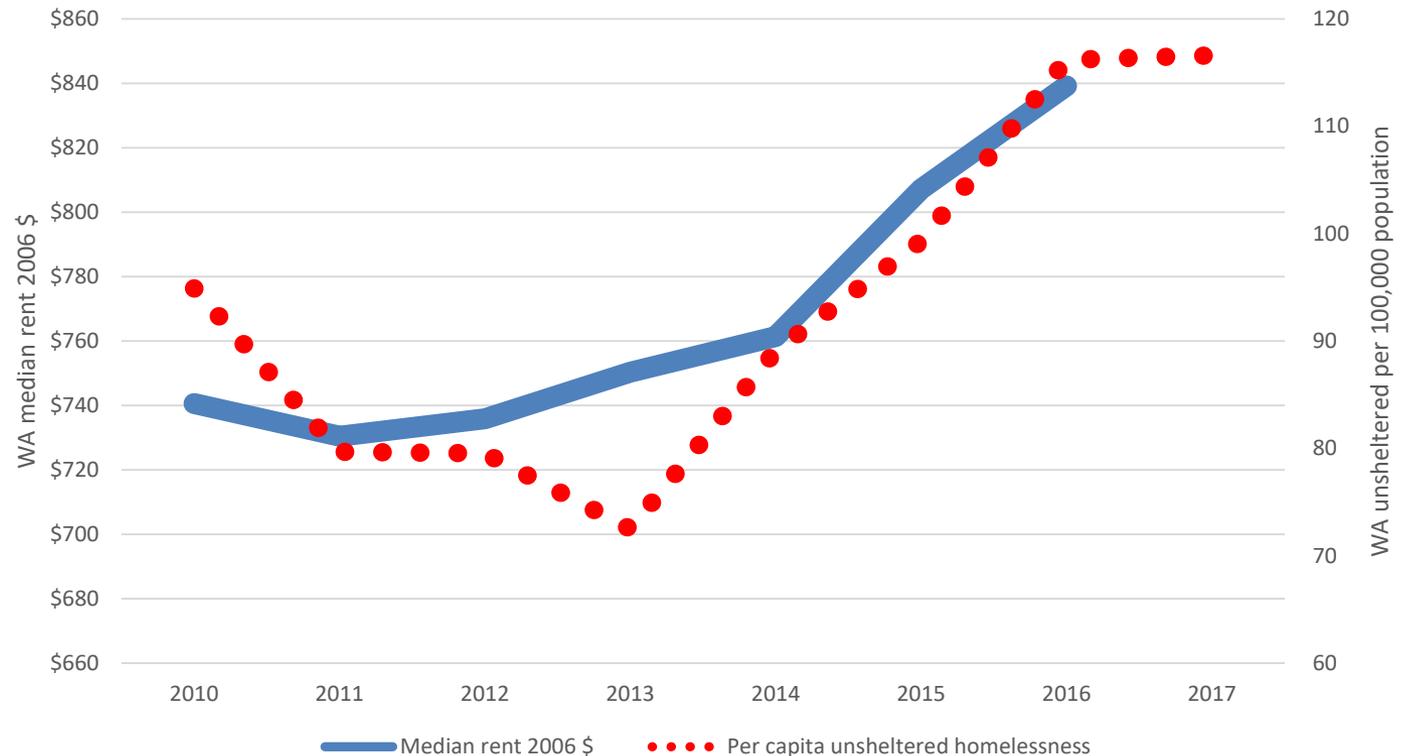


Source: one bedroom <http://www.zillow.com/home-values/>



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As rents grow, homelessness increases



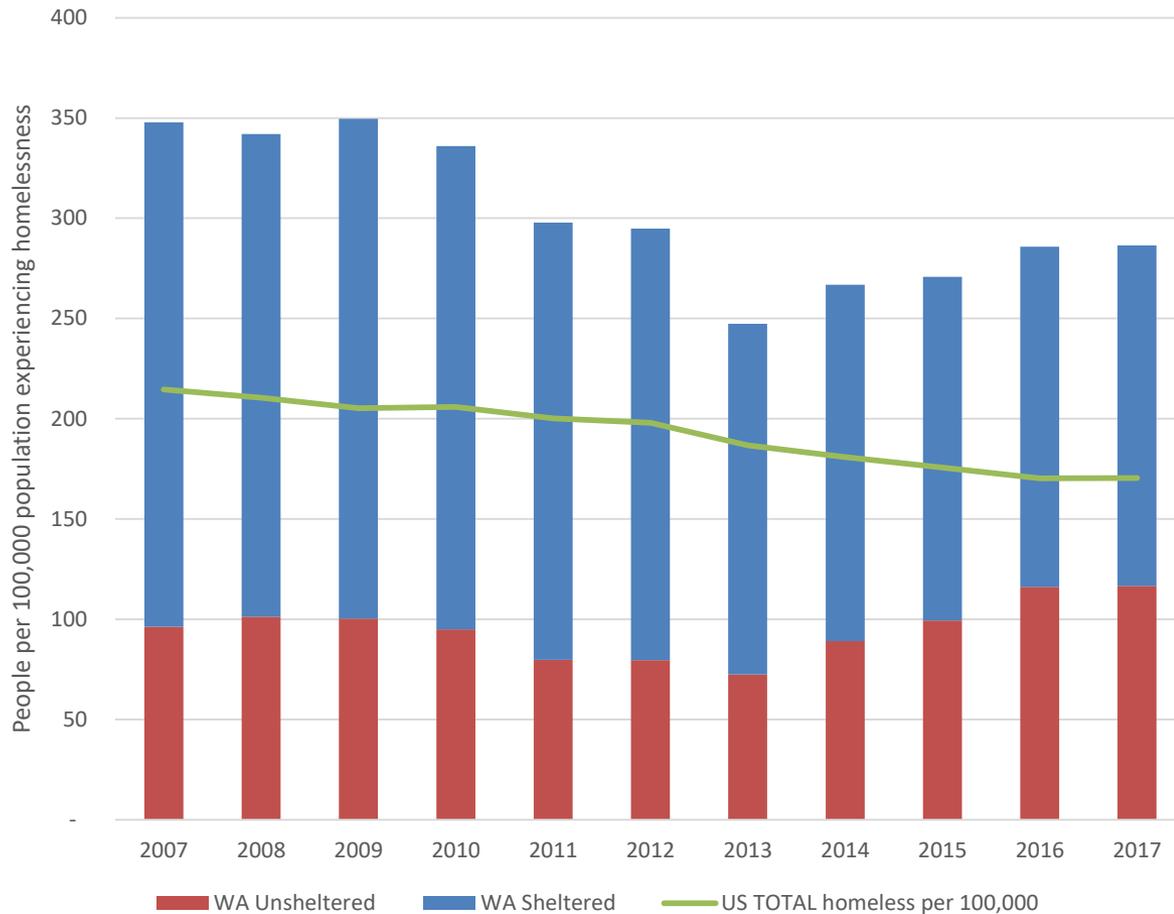
Sources:

- Rent: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25058, inflation adjusted using Bureau of Labor Statistics CPI-U
- 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



Homelessness – WA 5th highest per capita rate

WA: 0.29%, US: 0.17%



21,112 people

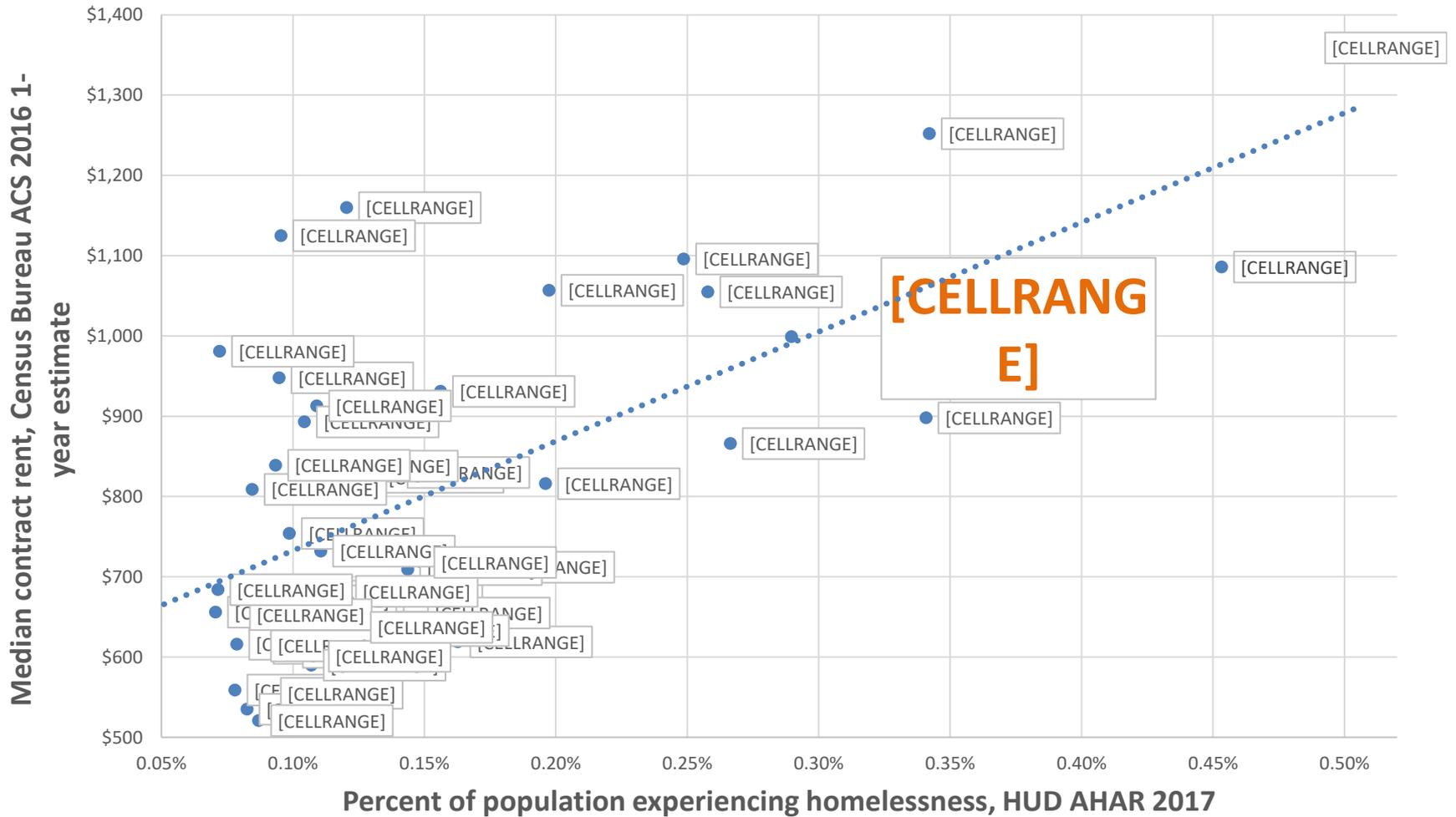
8,591 living unsheltered

7,834 in households without children

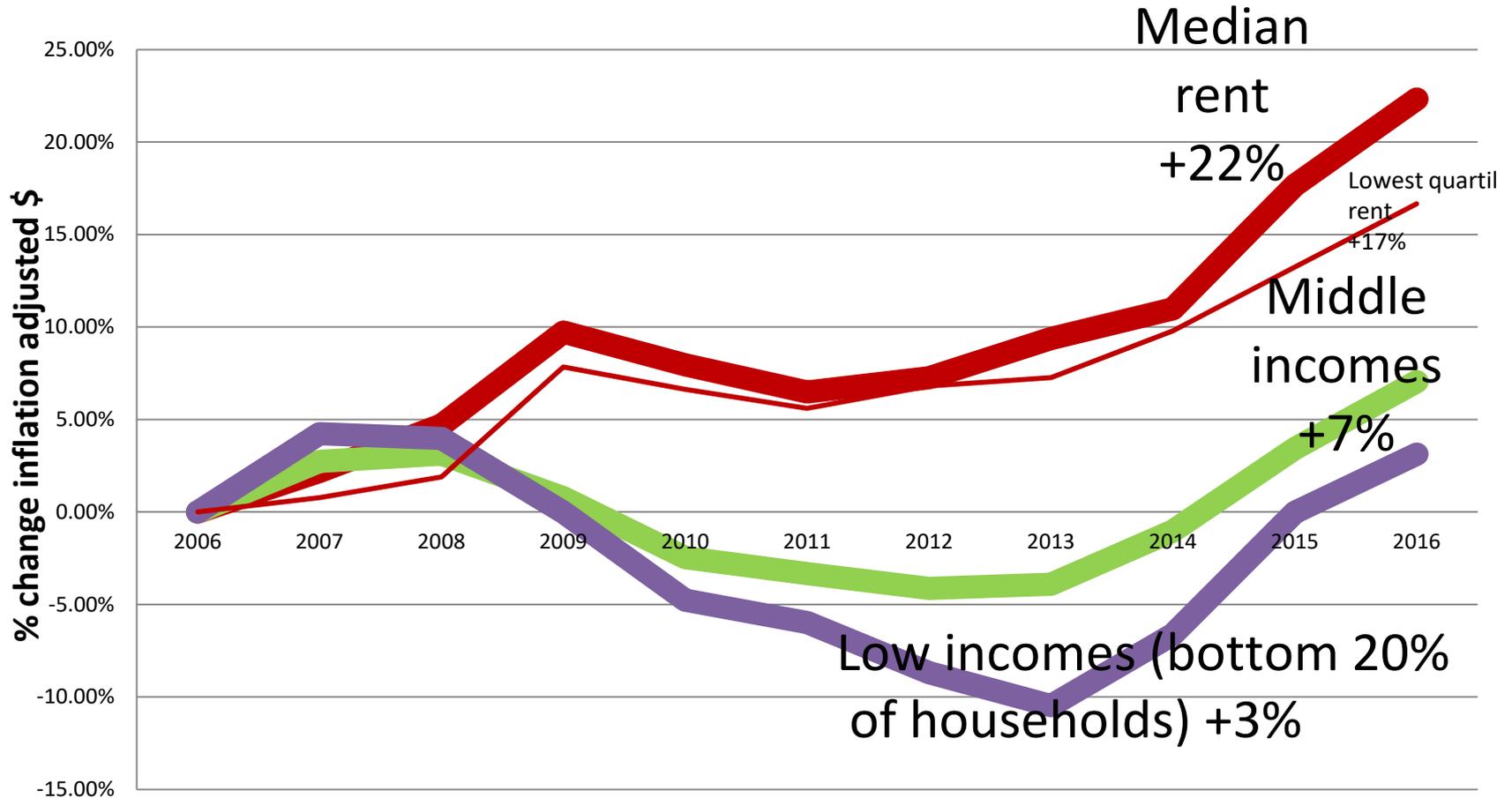
757 people in households with children



Rents vs. homelessness - WA is average



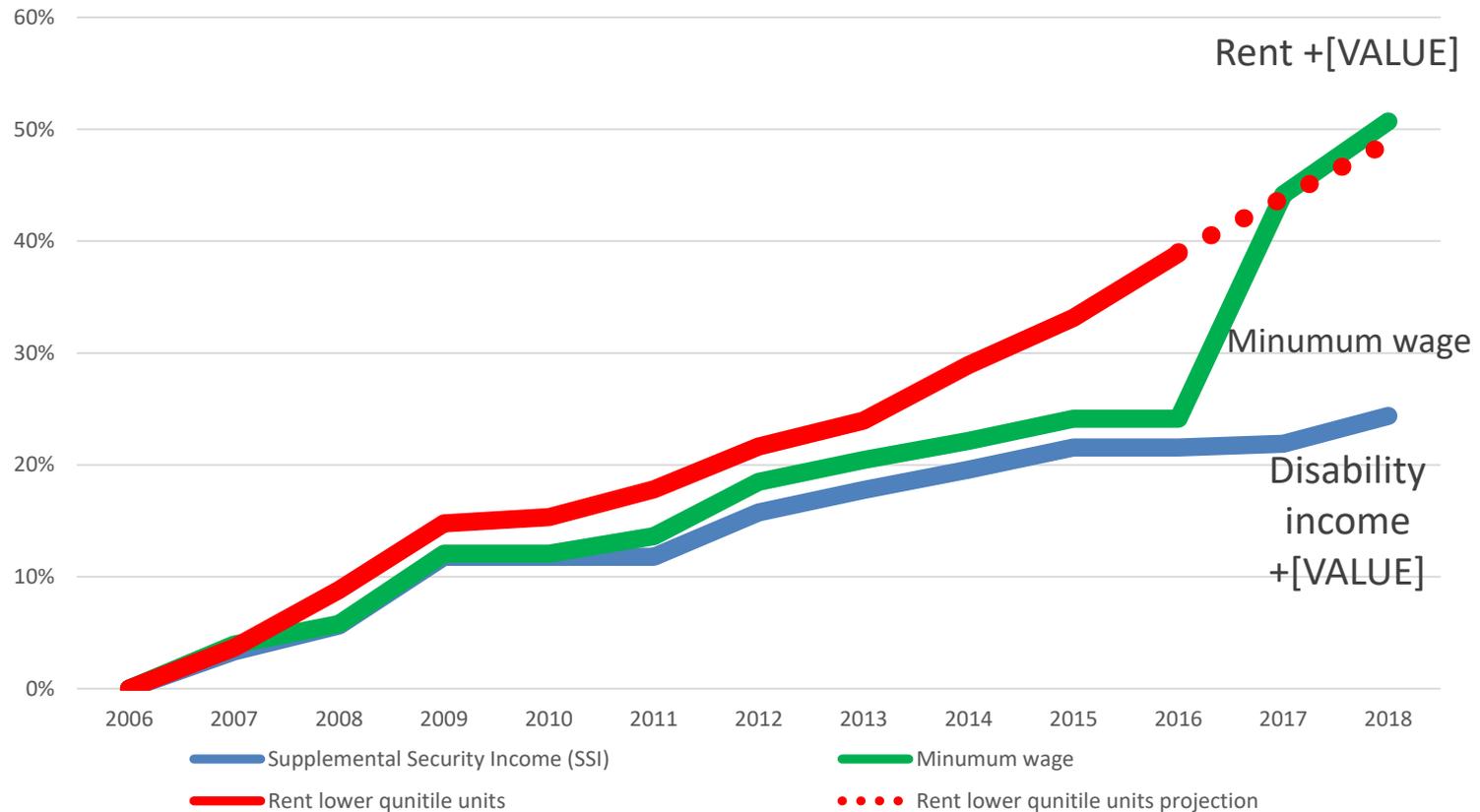
Rents are increasing while income growth lags



Data sources: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25058, B25057, B19081; inflation adjusted using the Bureau of Labor Statistics CPI-U.



Rents compared to minimum wage and disability income growth



Rent data sources: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25057



WA economy is above average and improving

Since 2012:

Ranked #1 in GDP growth – two years in a row

- Per capita GDP ranked #10

More people working

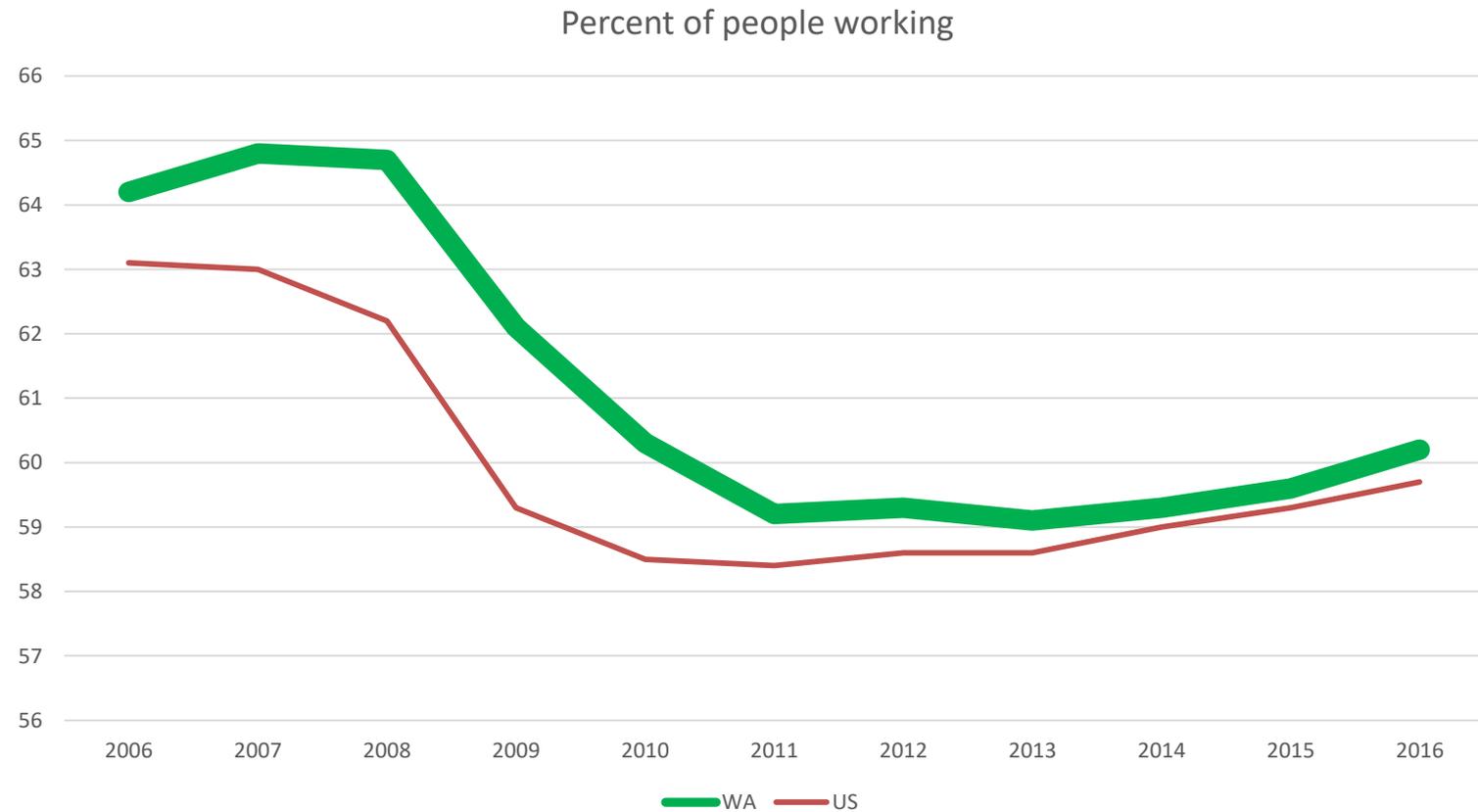
- Percent of population employed increasing - ranked #25

Earned incomes increasing

- Median income ranked #9, median income growth ranked #2
- Lowest quintile income rank #8, lowest quintile income growth ranked #4



WA employment rate is above average

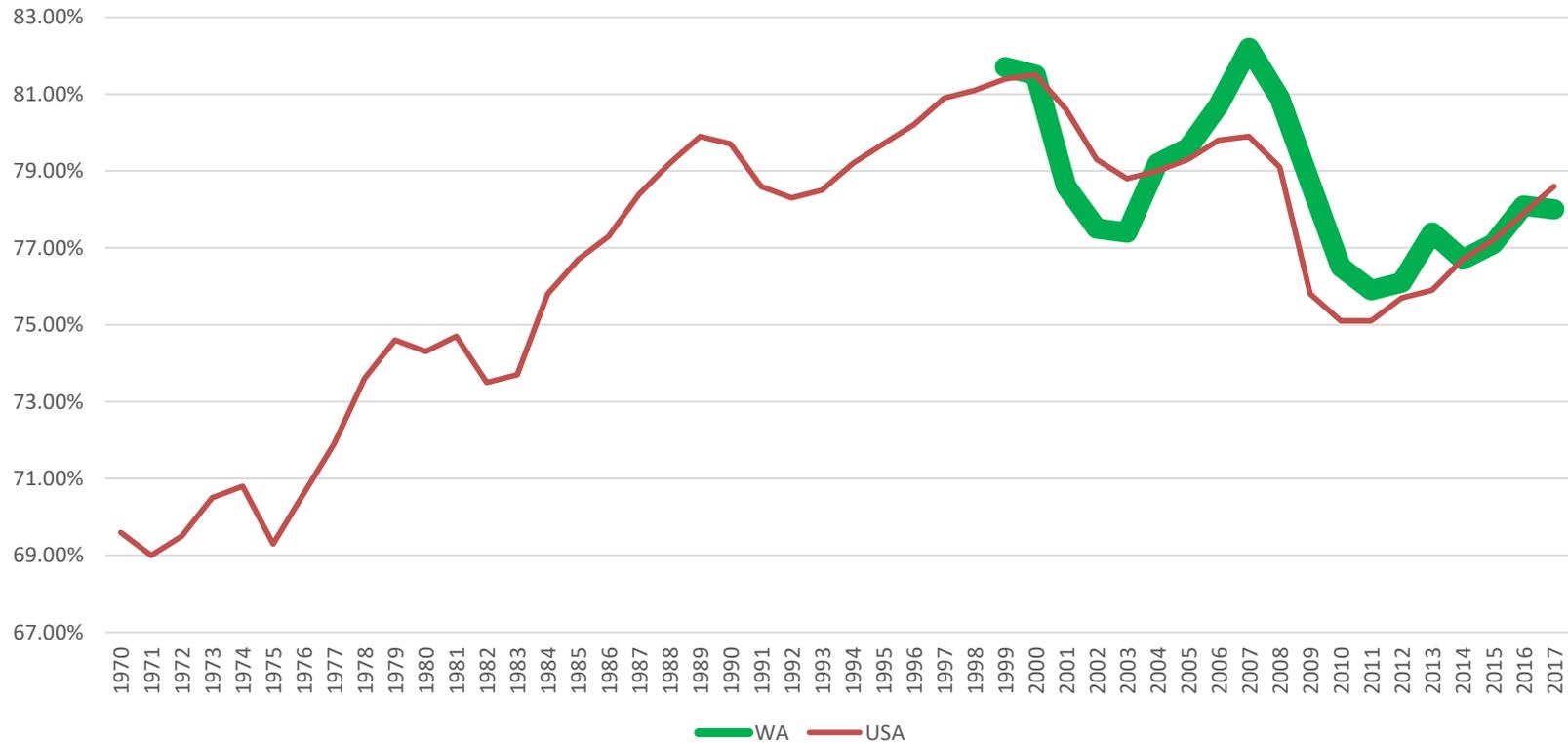


Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian noninstitutional population, percent of population employed



In WA more prime-age people are working

Prime Age Employment - Ages 25-54



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>

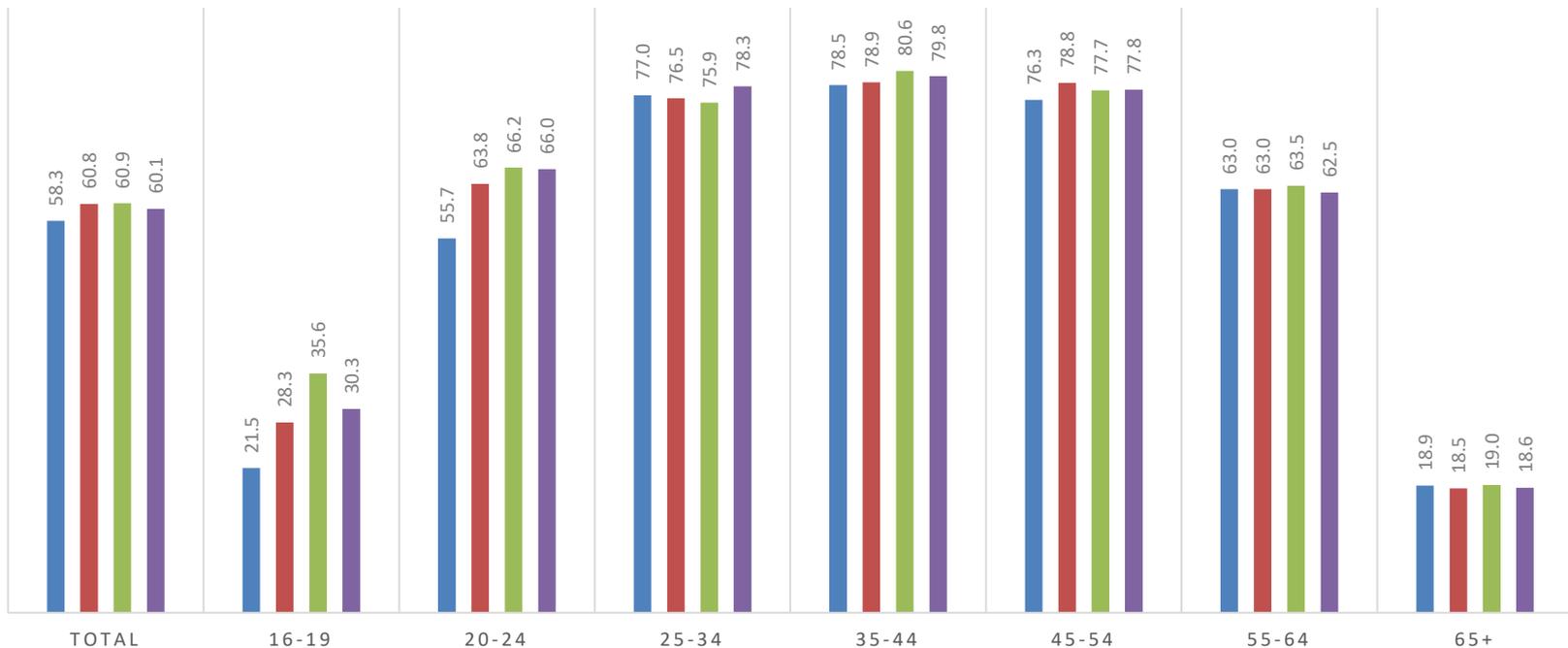


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Washington ranked #25 in employed population

2017 PERCENTAGE OF POPULATION EMPLOYED BY AGE GROUP

■ NY ■ Texas ■ WA ■ USA



Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian non-institutional in states, percent of population employed



What's the maximum level of achievable employment?

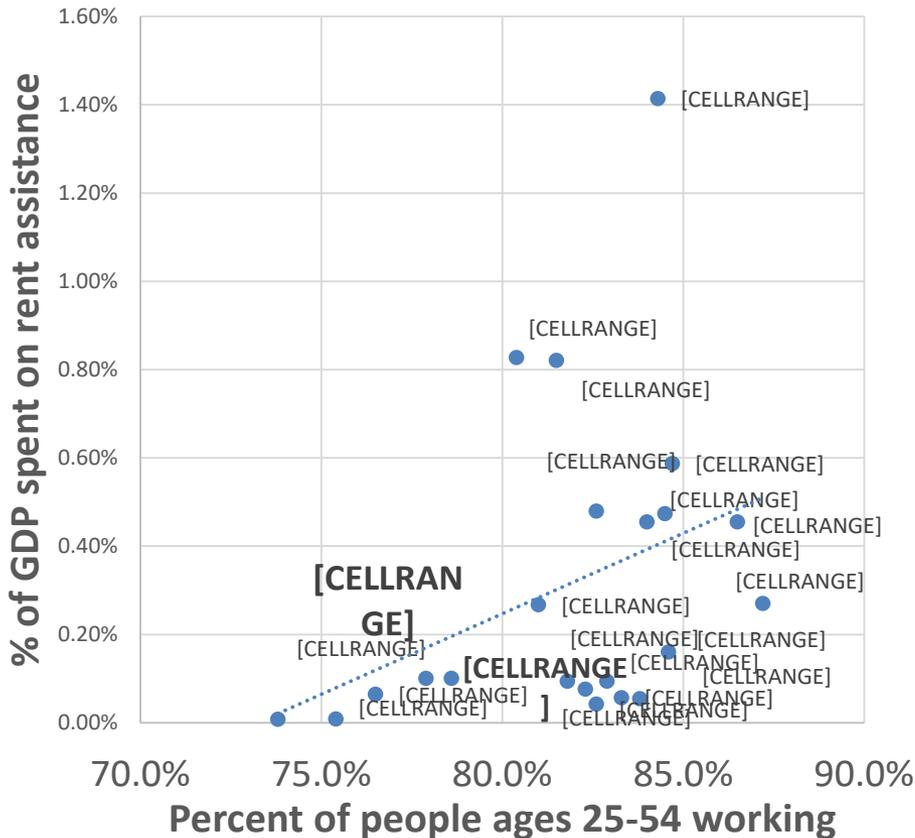
Employment rate by age group 25-54 year-olds, % in same age group, Q4 2017 or latest available

Source: Labour: Labour market statistics



International Evidence: More people working compatible with higher levels of rent assistance

Moderate positive relationship between spending on rent assistance and % of people working



Housing vouchers for low income households:¹

- Reduce earned income by \$109 a month (\$12,452 to \$11,140 annually)
- Reduce employment by 4 percentage points (61% to 57%)

Permanent vouchers vs. temporary rent assistance for homeless families: ²

- Reduce families living homeless or doubled up by 16 percentage points (16% vs. 32%)
- Reduce earned income by \$26 a month (\$6,432 to \$6,114)

Sources:

<https://www.oecd.org/els/family/PH3-1-Public-spending-on-housing-allowances.pdf>

<https://data.oecd.org/emp/employment-rate-by-age-group.htm#indicator-chart>

<https://www.cbpp.org/sites/default/files/atoms/files/4-13-11hou-WA.pdf>

1 – The Effects of Housing Assistance on Labor Supply, Jacob et al, 2008, <http://www.nber.org/papers/w14570.pdf>

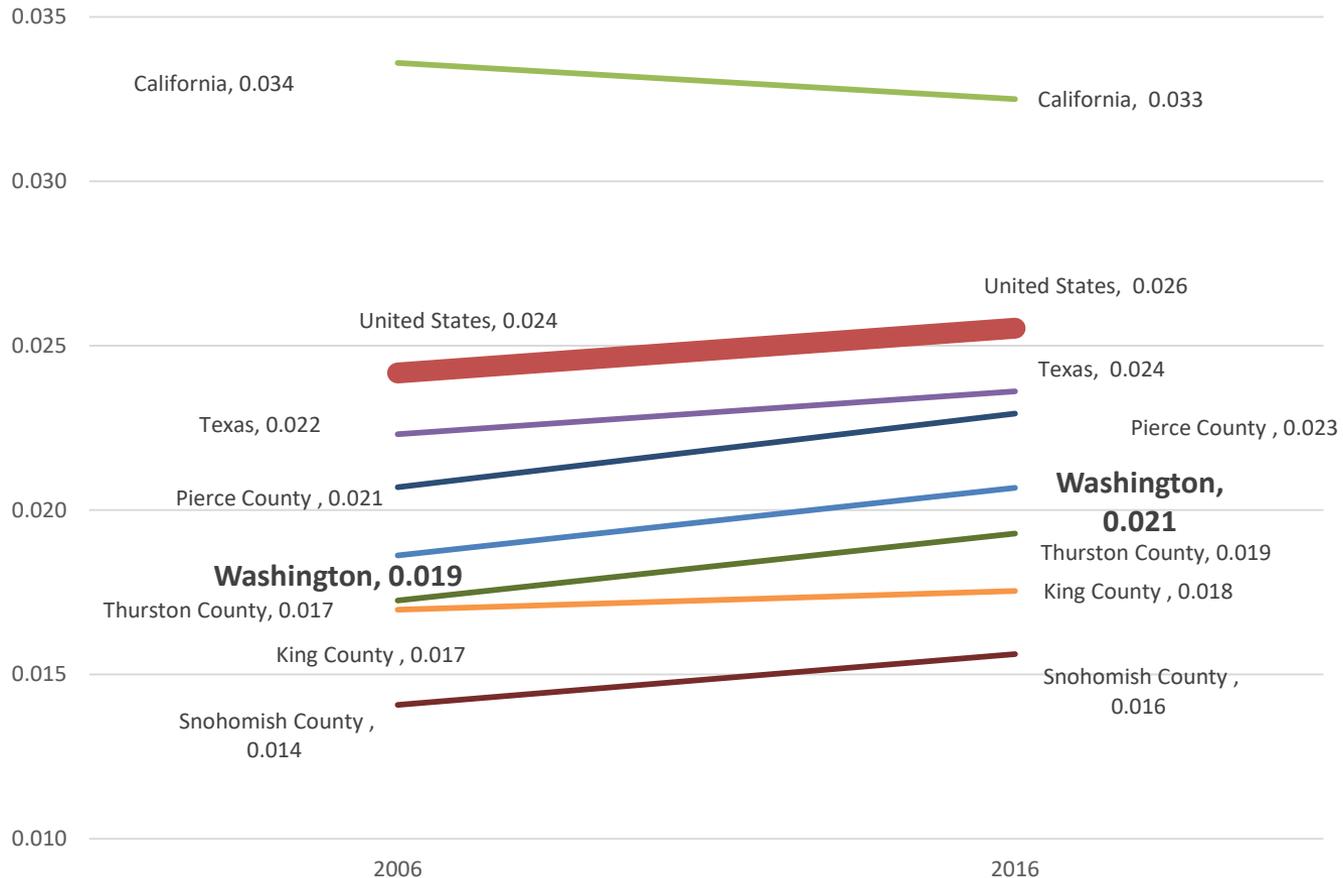
2 – HUD Family Options Study 3-Year Impacts, pages 58 and 81, <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>



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WA ratio of with disabilities receiving SSI below national average

Ratio: Supplemental Security Income recipients vs. Population



WA families are above average and improving

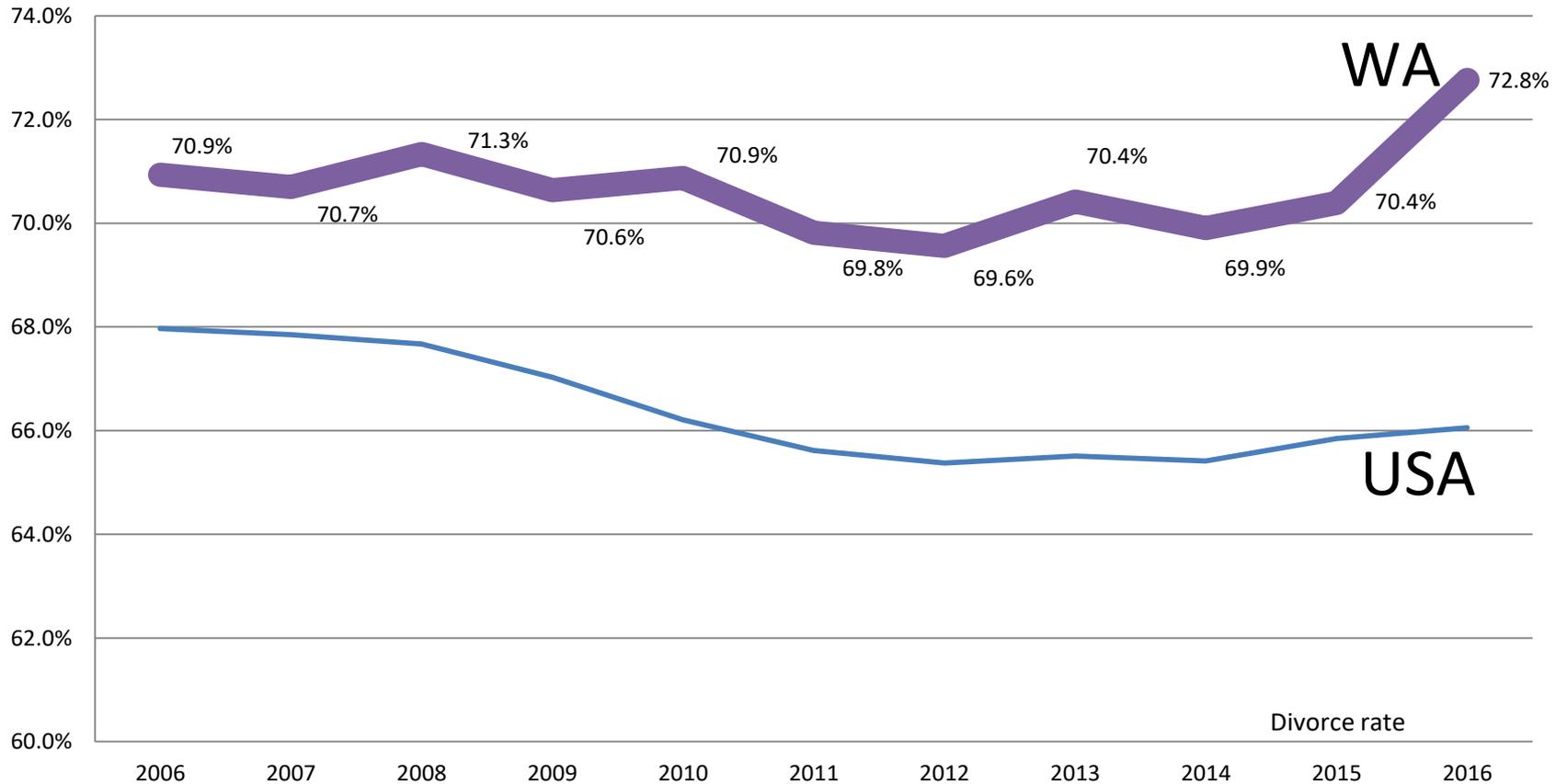
Since 2012:

Family stability increasing

- Divorce, domestic violence, and teenage pregnancy declining
- Percentage of children in married couple households increasing - WA ranked #5
- Percentage of married couple households increasing – WA ranked #8



More WA children living in married-couple families



Sources: Children in married-couple households from Census Bureau ACS Table B09005;

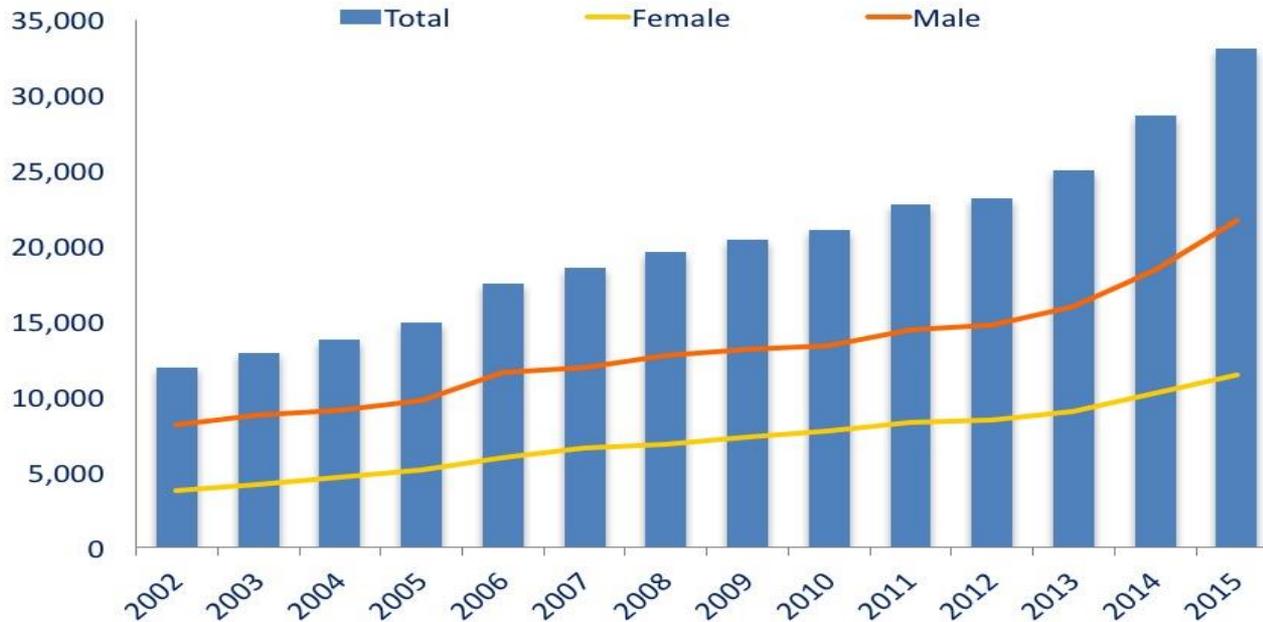


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A national crisis – Opioid deaths



National Overdose Deaths Number of Deaths from Opioid Drugs



Source: National Center for Health Statistics, CDC Wonder



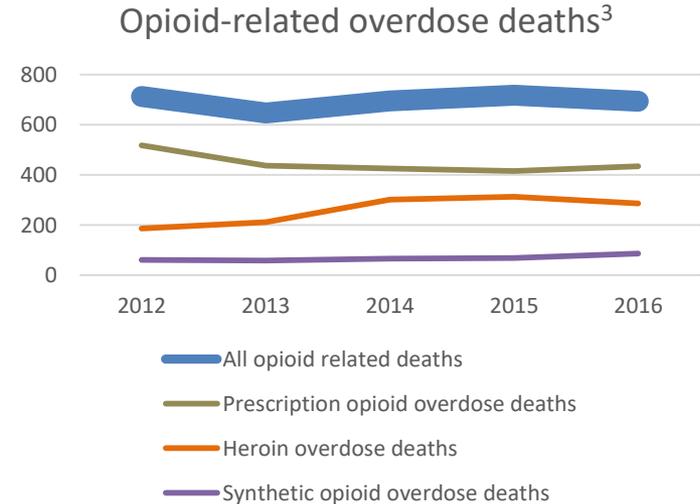
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Alcohol and drug dependence: A mixed picture

Since 2012:

WA ranks 18th in substance use disorder ²

1. Alcohol use disorder declined, ranked 29th ²
2. Overall illicit drug dependence may be stable, ranked 11th ^{1, 2}
3. Ranked 13th in pain reliever use disorder, and 12th in heroin use ²
4. Opioids continue to be a crisis, WA ranks 32nd in prevalence of drug overdose deaths ⁴



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

3 - DOH: <https://www.doh.wa.gov/Portals/1/Documents/Pubs/346-083-SummaryOpioidOverdoseData.pdf>

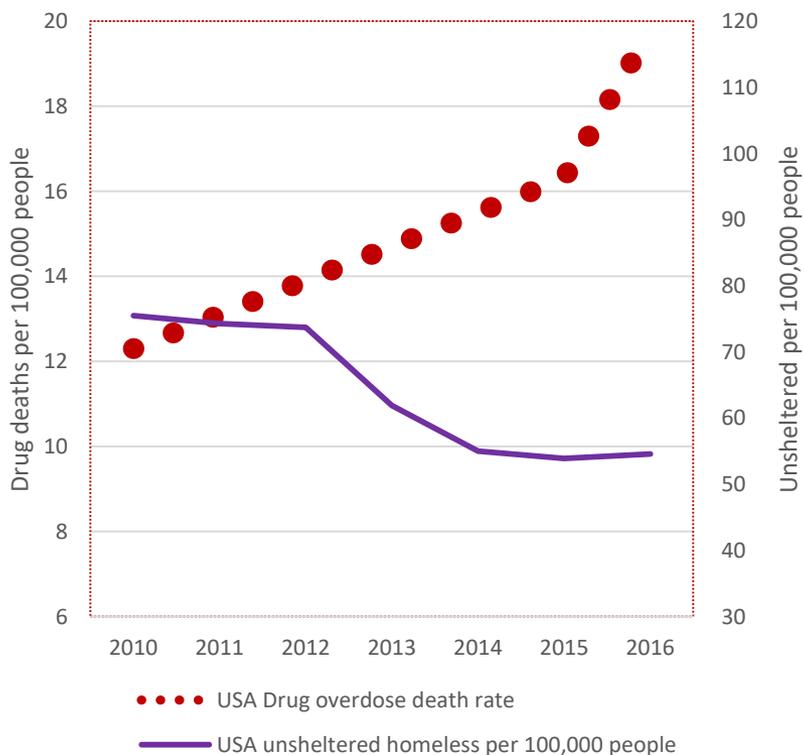
4 - CDC: <https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>



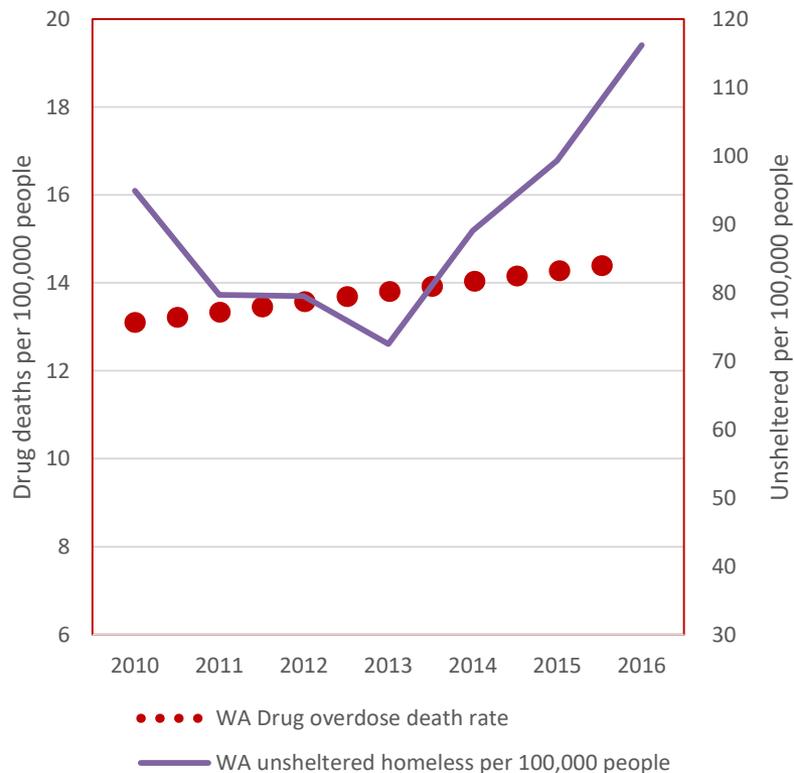
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Drug and homelessness trends – USA vs. WA

USA: Drug overdose deaths increased, unsheltered homelessness decreased



WA: Drug overdose deaths increased less than in US, unsheltered homelessness increased



Sources:

Drug Overdose Deaths in the United States, 1999-2016: <https://www.cdc.gov/nchs/products/databriefs/db294.htm>

Increases in Drug and Opioid-Involved Overdose Deaths – United States, 2010-2015: <https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>

Drug Overdoses Death Data: <https://www.cdc.gov/drugoverdose/data/statedeaths.html>

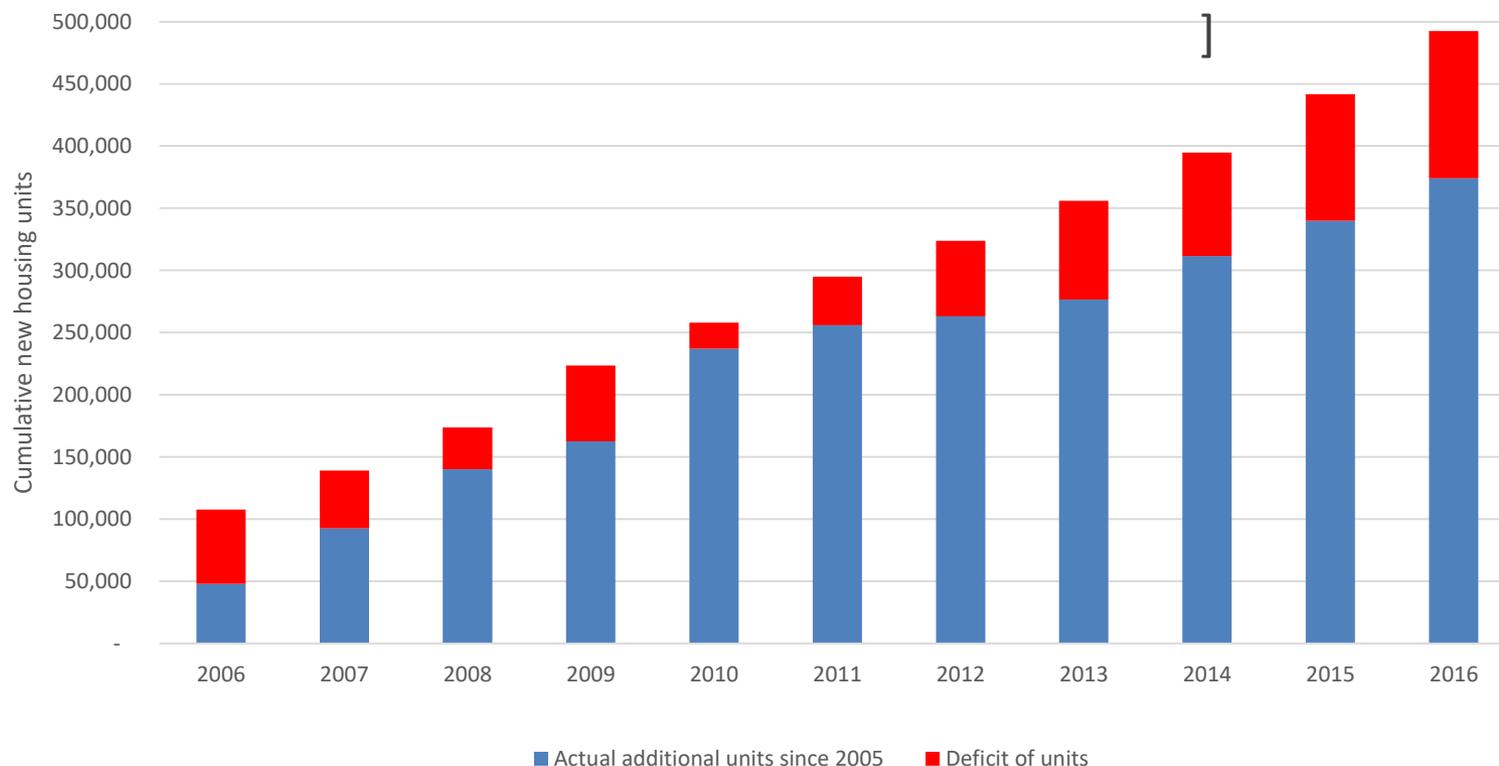
HUD Annual Homeless Assessment Report AHAR: <https://www.hudexchange.info/homelessness-assistance/ahar/#2017-reports>



Since 2005 in WA: Population +19%, Housing units +14%

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

Housing unit
deficit:[VALUE
]



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

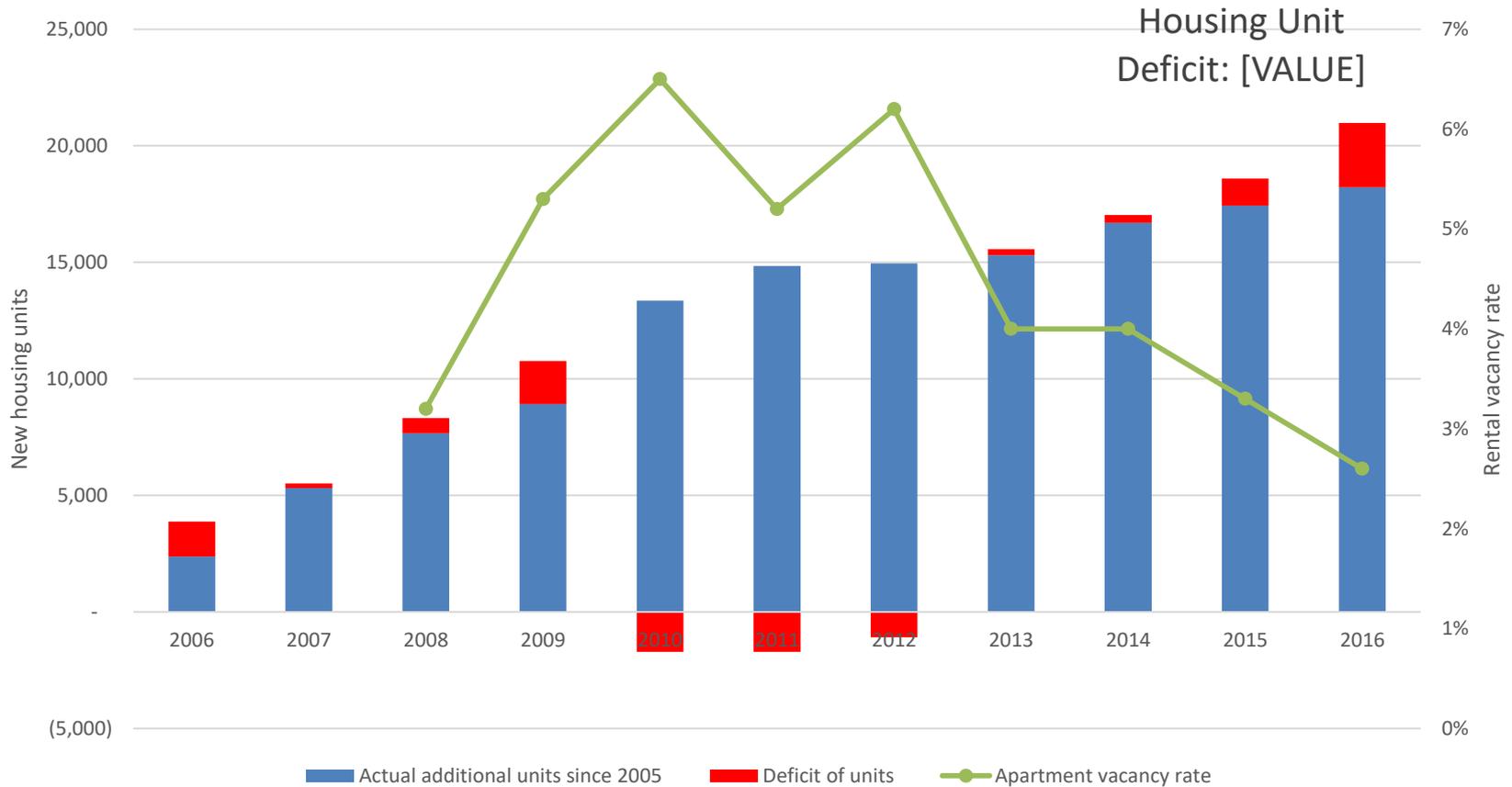
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0101&prodType=table



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Since 2005 in Thurston: Population +22%, Housing units +19%

Deficit of new housing units necessary to maintain 2005 ratio of people to housing units in Thurston County



Source: American Community Survey 1-Year Estimates

<http://realestate.washington.edu/research/wcrer/housing-reports/>

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



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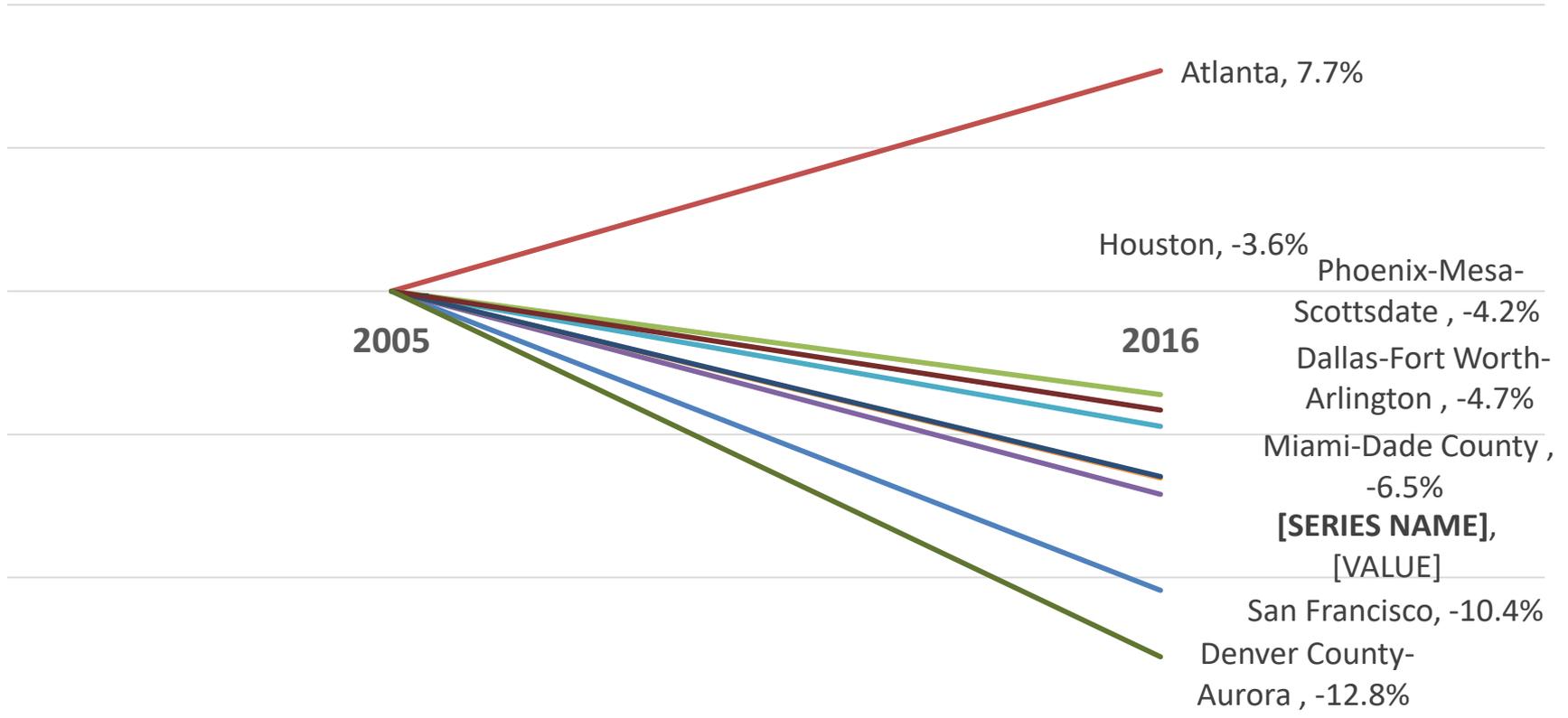
Below historic average building permits being issued - WA through June 2018

WA Ratio of housing permits to population increase



Almost all fast growing large cities not adding housing proportionate to population growth

Large metropolitan areas with >10% population growth, housing unit growth minus population growth

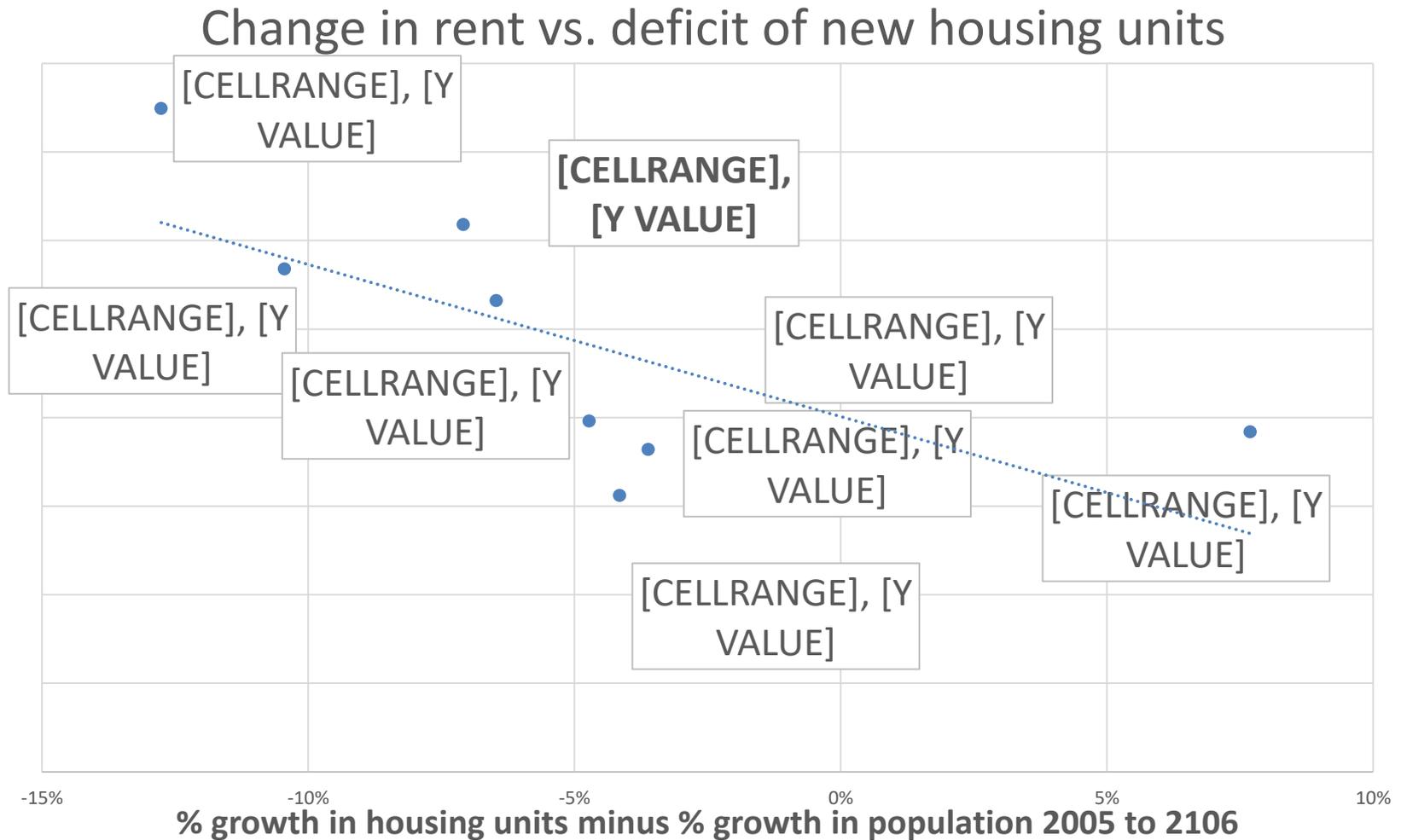


Source: American Community Survey 1-Year Estimates



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Housing unit growth closer to population growth = smaller rent increases



Source: American Community Survey 1-Year Estimates 2005 to 2016. Y axis: Lower contract rent quartile dollar change. X axis: Housing unit growth minus population growth, large metro areas growing >10%



WA rental vacancy lowest in the US in 2017 ¹

	2010	2012	2014	2015	2016
United States	8.2%	6.8%	6.3%	5.9%	5.9%
California	5.9%	4.5%	3.9%	3.3%	3.3%
Massachusetts	5.8%	4.5%	4.0%	3.5%	4.0%
Oregon	5.6%	4.7%	3.6%	3.6%	3.2%
Texas	10.6%	8.5%	7.3%	7.0%	7.7%
Washington	5.8%	5.3%	4.2%	3.3%	3.2%
Clark County	8.2%	3.4%	2.4%	2.2%	3.0%
Clallam County	11.4%	11.3%	6.1%	3.5%	1.8%
King County	5.2%	4.1%	2.5%	2.6%	2.7%
Pierce County	6.6%	5.4%	5.7%	3.3%	2.0%
Spokane County	4.0%	7.2%	5.5%	3.7%	3.7%
Yakima County	3.1%	4.5%	5.1%	3.6%	2.2%
Whatcom County	3.9%	5.5%	4.1%	1.8%	1.8%
Thurston County	4.0%	5.5%	5.9%	3.5%	4.7%
Seattle	4.0%	3.5%	1.2%	2.7%	2.5%
San Francisco	4.4%	2.8%	2.5%	2.5%	3.0%
Atlanta	16.4%	8.6%	9.3%	6.6%	6.4%
Houston	15.9%	11.2%	7.2%	7.7%	7.7%

A 7% vacancy rate is considered the balanced, or “natural” rate ²

Sources: American Community Survey 1-Year Estimates, Table DP04

1 – U.S. Census Bureau Vacancy and Homeownership rates by State

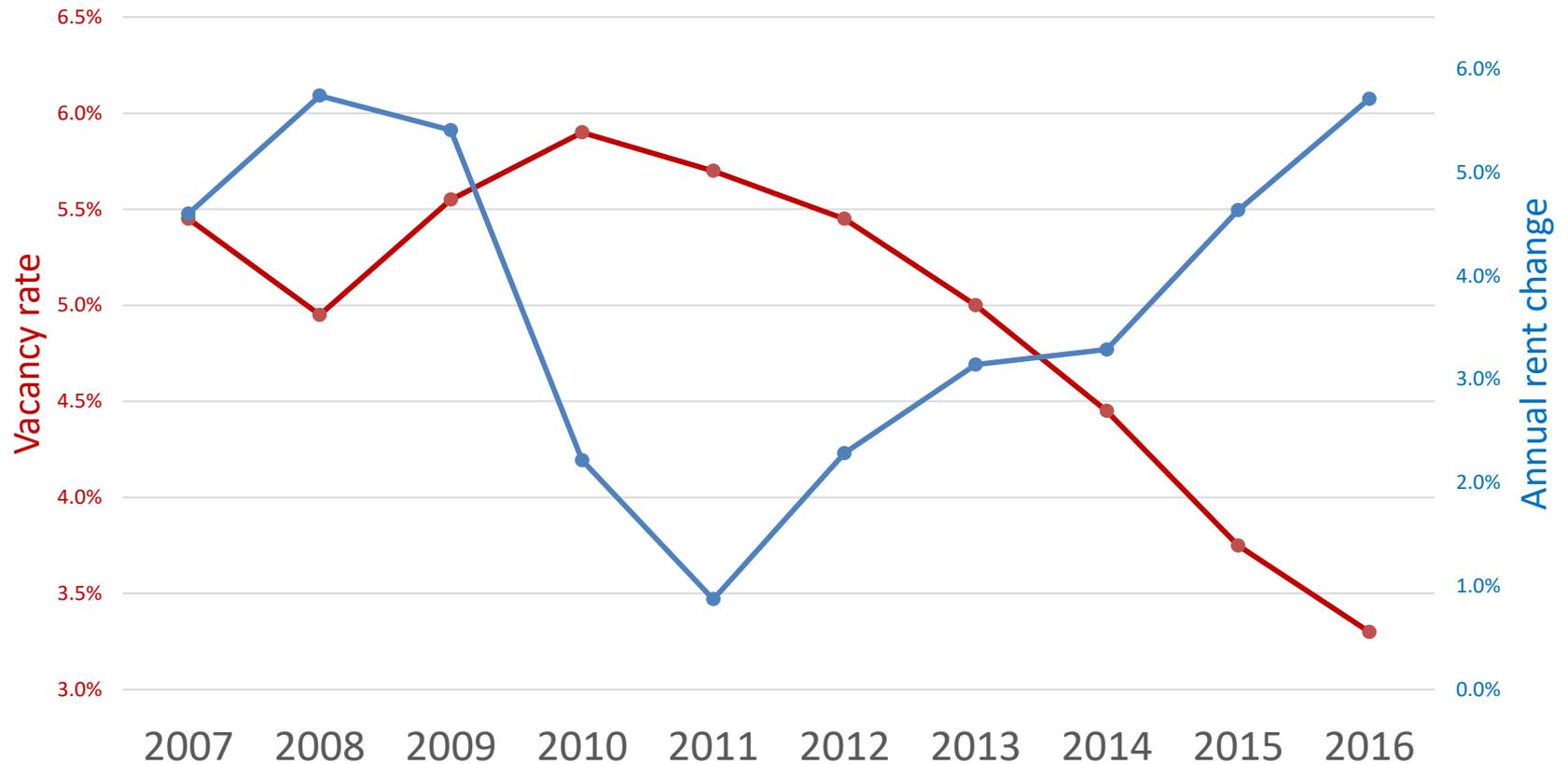
2 - <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w07-7.pdf>



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Vacancy rates and rent increases are inversely related

Relationship between vacancies and rents - WA



Source: American Community Survey 1-Year Estimates, two year running average

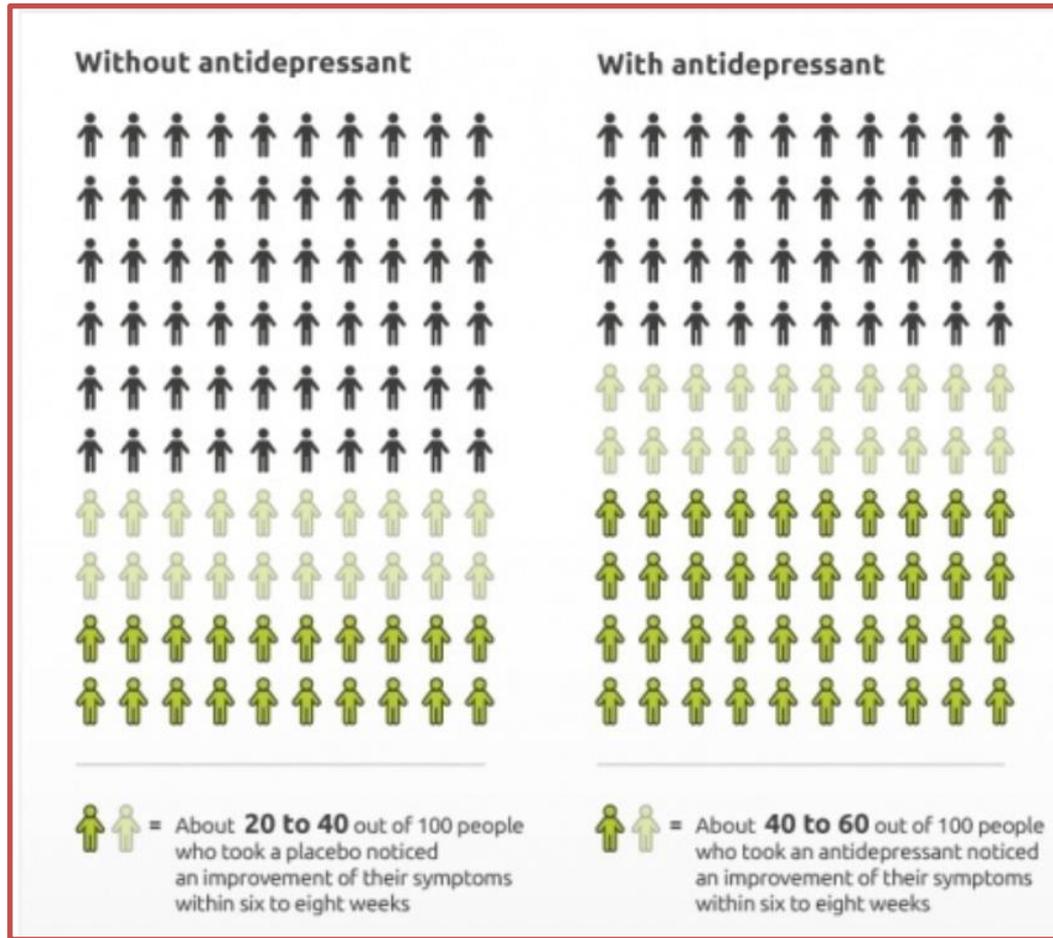


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Interventions to change behavior work less than half of the time

Example:
Antidepressants

20%



Try the intervention to improve efficiency, but focus on the majority of people for which the intervention does nothing

Source: <https://www.ncbi.nlm.nih.gov/pubmedhealth/PMH0087089/>



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*An intervention can be
“effective,” pay for itself
in reduced public costs,
be the right thing to do
to improve or save lives,
AND...*

...NOT significantly improve income and related housing stability

DRAFT: Comparison of strategies to increase income

Annual income	% increase	Strategy	
\$374	4.5%	Welfare to work	1
\$3,212	152.1%	Supported employment for people with severe mental illness	2
\$294	1.5%	Early childhood education for low income students (WSIPP data)	3
\$77	0.3%	Treatment for substance use disorder (contingency management)	4
\$53	0.2%	Treatment of major depression	5
\$0	0.0%	Providing low income students the same quality of teachers that high income students have	6
\$0	0.0%	Charter schools	7
\$480	6.0%	Job training and incentives for low income people in subsidized housing (Jobs-Plus)	8
\$0	0.0%	Marriage education for low income, married couples	9
\$3,186	11%	Earned income tax credit	10
\$3,477	31%	Moving a low income family to a high income area; impact on earnings of moved child in mid-20s	11

- Page 137 of this study: https://www.mdrc.org/sites/default/files/full_391.pdf ...shows the most successful welfare to work program in the study (in Portland) increased annual income from \$8,361 to \$8,735. People with severe mental illness provided Supported employment increased average annual weeks worked from 4.8 to 12.1. Under an \$11/hour minimum wage, it would translate to an increase from \$2,112 annual income to a \$5,324 annual income. Page 285: [http://www.implementatiescan.nl/pdf/Psych%20Rehab%20Journal%20\(2008\).%20An%20Update%20on%20Randomized%20Controlled%20Trials%20of%20Evidence-Based%20supported%20employment.pdf](http://www.implementatiescan.nl/pdf/Psych%20Rehab%20Journal%20(2008).%20An%20Update%20on%20Randomized%20Controlled%20Trials%20of%20Evidence-Based%20supported%20employment.pdf)
- WSIPP earnings increase estimate of \$13,521 (page 22) divided by working years, from baseline of non-high school graduate wage of \$20,000/year http://www.wsipp.wa.gov/ReportFile/1547/WSipp_Early-Childhood-Education-for-Low-Income-Students-A-Review-of-the-Evidence-and-Benefit-Cost-Analysis_Full-Report.pdf <http://www.wsipp.wa.gov/TechnicalDocumentation/WSippBenefitCostTechnicalDocumentation.pdf>
- This analysis shows a particularly effective drug treatment intervention increases earned incomes by \$2,331 over fifty years (about +\$77 in annual earnings assuming 30 years of working post treatment): <http://www.wsipp.wa.gov/BenefitCost/Program/297>
- Treatment for major depression increased earnings by \$1,603 (about +\$53 in annual earnings assuming 30 years of work post treatment). <http://www.wsipp.wa.gov/BenefitCost/Program/494>
- "There are small differences in the effectiveness of teachers of high- and low-income students, on average. The average teacher of a low-income student is just below the 50th percentile of effectiveness based on value-added, while the average teacher of a high-income student is at the 51st percentile. Providing low-income students with equally effective teachers would not substantially reduce the achievement gap." https://ies.ed.gov/ncee/projects/evaluation/tq_distribution.asp
- Charter schools are no more effective than regular schools <https://ies.ed.gov/ncee/pubs/20104029/>
- Pages ES-5-6: https://www.mdrc.org/sites/default/files/full_485.pdf
- "SHM did not lead more couples to stay together." https://www.acf.hhs.gov/sites/default/files/opre/shm2013_30_month_impact_reportrev2.pdf
- <https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit>
- Moving a low income family to a higher income neighborhood increase child income by 31% (from \$11,270 in mid 20s, to \$14,747 (+\$3,477): <http://www.nber.org/papers/w21156.pdf>





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