



## LAKEWOOD CITY COUNCIL RETREAT AGENDA

Saturday, March 12, 2022

8:30 A.M. - 1:30 P.M.

City of Lakewood

City Council Chambers

6000 Main Street SW

Lakewood, WA 98499

Residents can virtually attend City Council meetings by watching them live on the city's YouTube channel:

<https://www.youtube.com/user/cityoflakewoodwa>

Those who do not have access to YouTube can call in to listen by telephone via Zoom: Dial +1(253) 215- 8782 and enter meeting ID: 868 7263 2373.

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Page No.

## City Council Retreat 2022

1. Call to Order, Jason Whalen, Mayor
2. Welcome and Purpose, John Caulfield, City Manager **(5 minutes)**
3. Ice Breaker Activity, Mary Dodsworth, Parks & Recreation Director **(25 minutes)**

What does Homeless look like to you and/or what words come to mind when you think of homelessness?

4. 9:00 a.m. - Homelessness in Lakewood, Tiffany Speir, Long Range & Strategic Planning Manager **(25 minutes)**
5. 9:25 a.m. - City Programs: Human Services, Housing and Homeless Prevention, Tiffany Speir, Long Range & Strategic Planning Manager **(40 minutes)**  
with the following in support, Police Chief Mike Zaro, Parks & Recreation Director Mary Dodsworth, Housing Manager Jeff Gumm and ACM/CED Dave Bugher

### **BREAK (15 minutes)**

*The Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.*

<http://www.cityoflakewood.us>



6. 10:20 a.m. - Partnership Opportunities **(70 minutes)**
  - a. Pierce County Community First Village, Heather Moss, Pierce County Director of Human Services
  - b. Pierce County Comprehensive Plan to End Homelessness (CPEH) Implementation and Unified Regional Office, Heather Moss, Pierce County Director of Human Services
  - c. Tacoma Rescue Mission, Duke Paulson, Tacoma Rescue Mission CEO
  - d. Living Access Support Alliance (LASA) Subsidized Housing Unit Construction (ARPA request), Jeff Gumm, Housing Manager and Tiffany Speir, Long Range & Strategic Planning Manager
  - e. Living Access Support Alliance (LASA) Hygiene Center (ARPA request), Jeff Gumm, Housing Manager and Tiffany Speir, Long Range & Strategic Planning Manager
7. 11:30 a.m. - Pierce County Homeless Services Gap Assessment, Andrew Dyke, Partner and Senior Economist, ECONorthwest **(30 minutes)**

**LUNCH (15 minutes)**

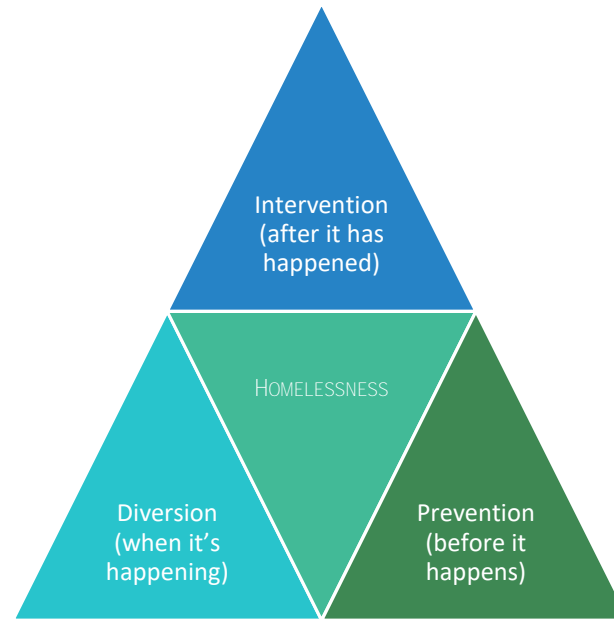
8. 12:15 p.m. - Homelessness Priorities, Tiffany Speir, Long Range & Strategic Planning Manager **(70 minutes)**
9. Next Steps, John Caulfield, City Manager **(5 minutes)**
10. Adjourn, Jason Whalen, Mayor

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CITY OF  
**LAKEWOOD**



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## CITY COUNCIL RETREAT ON HOMELESSNESS

MARCH 12, 2022





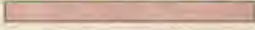


# LONDON.

(POPULATION - 1901 - 4,536,541.)

## SOCIAL CONDITION OF INHABITANTS.

Inquiry conducted by Charles Booth (1889-91)

### I. BY FAMILIES ACCORDING TO MEANS.

CLASSIFICATION.		PERCENTAGE.	
SEMI - CRIMINAL	I	.9	(POVERTY)
VERY POOR		7.5	
POOR		22.3	
COMFORTABLE		51.5	(COMFORT)
MIDDLE CLASS		16.7	
WEALTHY		1.1	
		<u>100.</u>	

Corresponding roughly with the colouring of the streets in the accompanying  
**MAP OF LONDON POVERTY.**  
 (The purple streets represent a mixture of blue & pink.)

### II. ACCORDING TO ROOMS OCCUPIED OR NUMBER OF SERVANTS EMPLOYED.

CLASSIFICATION.	PERCENTAGE.	
4 OR MORE PERSONS PER ROOM OCCUPIED	4.4	(CROWDED) 30.1.
3 & UNDER 4    "    "    "    "	7.2	
2    "    3    "    "    "    "	18.5	
1 & UNDER 2 PERSONS PER ROOM OCCUPIED	23.0	(NOT CROWDED) 66.2
LESS THAN 1 PERSON    "    "    "	3.7	
MEMBERS OF FAMILIES LIVING IN MORE THAN 4 ROOMS WITHOUT SERVANTS	23.3	
"    "    "    IN WHICH THERE ARE 4 OR MORE PERSONS TO 1 SERVANT	5.5	
"    "    "    "    "    "    LESS THAN 4 PERSONS TO 1 SERVANT	3.4	
"    "    "    "    "    "    4 OR MORE PERSONS TO 2 SERVANTS		
ALL OTHER FAMILIES WHICH HAVE 2 OR MORE SERVANTS	2.4	
INDOOR    SERVANTS	4.9	
PERSONS LIVING IN HOTELS, INSTITUTIONS, ETC.	3.7	
	100.	

That is - 30.7 % are POOR & 69.3 % are living in COMFORT.  
 30.1 % are CROWDED & 66.2 % are NOT CROWDED.



**Ice Breaker Activity: What does Homeless look like to you and/or what words come to mind when you think of homelessness?**



## **Homelessness in Lakewood**



# WASHINGTON

WA has 7<sup>th</sup> most expensive 2 bedroom housing cost state in U.S.

#7\*

In **Washington**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,524**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$5,080** monthly or **\$60,966** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

**\$29.31**  
PER HOUR  
STATE HOUSING  
WAGE

## FACTS ABOUT WASHINGTON:

### STATE FACTS

Minimum Wage	<b>\$13.69</b>
Average Renter Wage	<b>\$22.94</b>
2-Bedroom Housing Wage	<b>\$29.31</b>
Number of Renter Households	<b>1,055,157</b>
Percent Renters	<b>37%</b>

**86**

Work Hours Per Week At  
Minimum Wage To Afford a 2-Bedroom  
Rental Home (at FMR)

**70**

Work Hours Per Week At  
Minimum Wage To Afford a 1-Bedroom  
Rental Home (at FMR)

**2.1**

Number of Full-Time Jobs At  
Minimum Wage To Afford a  
2-Bedroom Rental Home (at FMR)

**1.8**

Number of Full-Time Jobs At  
Minimum Wage To Afford a  
1-Bedroom Rental Home (at FMR)

### MOST EXPENSIVE AREAS

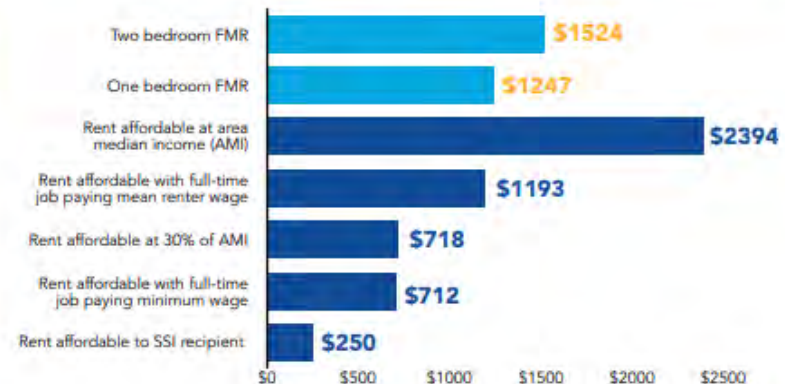
### HOUSING WAGE

Seattle-Bellevue HMFA	<b>\$36.65</b>
Portland-Vancouver-Hillsboro MSA	<b>\$29.54</b>
Bremerton-Silverdale MSA	<b>\$28.44</b>
<b>Tacoma HMFA</b>	<b>\$28.10</b>
Bellingham MSA	<b>\$23.94</b>

MSA = Metropolitan Statistical Area; HMFA = HUD Metro FMR Area.

\* Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.

OUT OF REACH 2021 | NATIONAL LOW INCOME HOUSING COALITION



WA-259

[https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach\\_2021.pdf](https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach_2021.pdf)



# Pierce County

## FY21 HOUSING WAGE

## HOUSING COSTS

## AREA MEDIAN INCOME (AMI)

## RENTERS

Hourly wage necessary to afford 2 BR <sup>1</sup> FMR <sup>2</sup>	2 BR FMR	Annual income needed to afford 2 BMR FMR	Full-time jobs at minimum wage to afford 2BR FMR <sup>3</sup>	Annual AMI <sup>4</sup>	Monthly rent affordable at AMI <sup>5</sup>	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2015-2019)	% of total households (2015-2019)	Estimated hourly mean renter wage (2021)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
\$28.10	\$1,461	\$58,440	2.1	\$91,100	\$2,278	\$27,330	\$683	122,460	38%	\$16.98	\$883	1.7

## DEFINITIONS

**Affordability** in this report is consistent with the federal standard that no more than 30% of a household's gross income should be spent on rent and utilities. Households paying over 30% of their income are considered cost-burdened. Households paying over 50% of their income are considered severely cost-burdened.

**Area Median Income (AMI)** is used to determine income eligibility for affordable housing programs. The AMI is set according to family size and varies by region.

**Extremely Low Income (ELI)** refers to earning less than the poverty level or 30% of AMI.

**Housing Wage** is the estimated full-time hourly wage workers must earn to afford a decent rental home at HUD's Fair Market Rent while spending no more than 30% of their income on housing costs.

**Full-time work** is defined as 2,080 hours per year (40 hours each week for 52 weeks). The average employee works roughly 35 hours per week, according to the Bureau of Labor Statistics.

**Fair Market Rent (FMR)** is typically the 40th percentile of gross rents for standard rental units. FMRs are determined by HUD on an annual basis, and reflect the cost of shelter and utilities. FMRs are used to determine payment standards for the Housing Choice Voucher program and Section 8 contracts.

**Renter wage** is the estimated mean hourly wage among renters, based on 2019 Bureau of Labor Statistics wage data, adjusted by the ratio of renter household income to the overall median household income reported in the ACS and projected to 2021.

1: BR = Bedroom

2: FMR = Fiscal Year 2021 Fair Market Rent.

3: This calculation uses the higher of the county, state, or federal minimum wage, where applicable.

4: AMI = Fiscal Year 2021 Area Median Income

5: Affordable rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.

## OUT OF REACH 2021 | NATIONAL LOW INCOME HOUSING COALITION

[https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach\\_2021.pdf](https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach_2021.pdf)

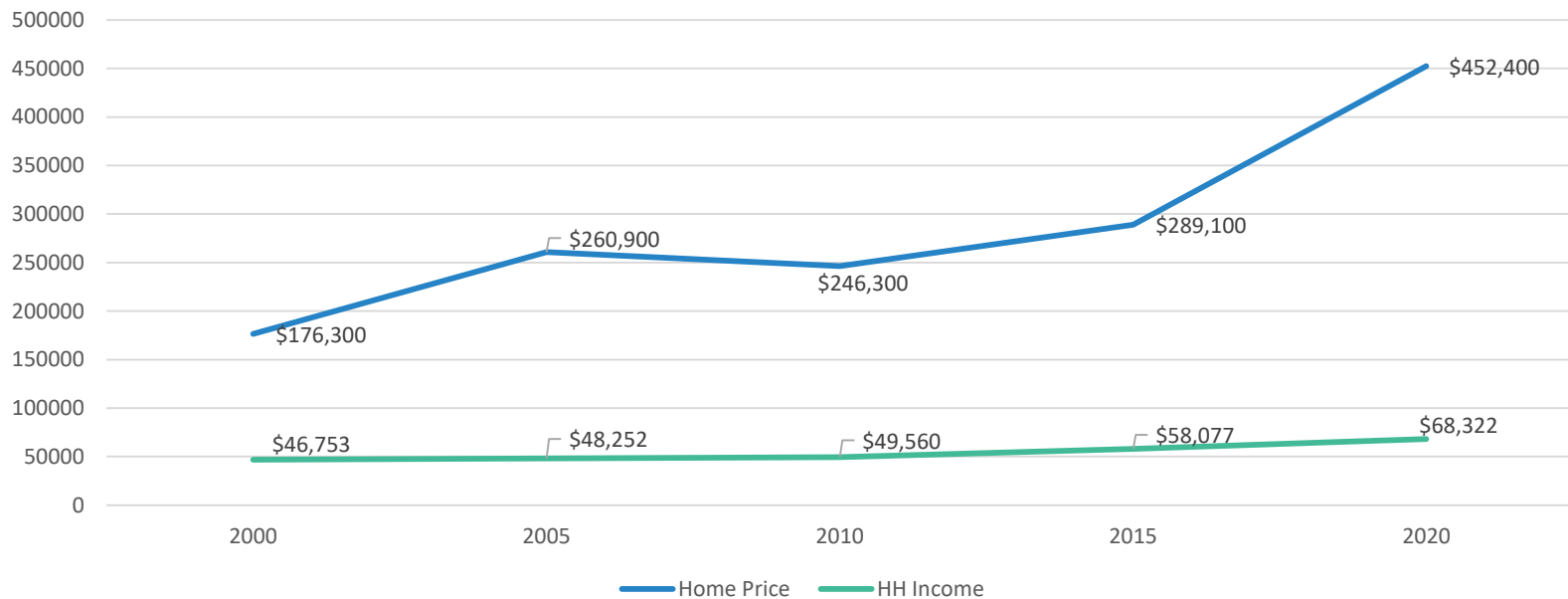


WA Median Home Price Net Increase 2000 – 2020 = \$276,100 (156% increase)

WA Median Income Net Increase 2000-2020 = \$21,569 (46% increase)

HOME PRICES INCREASED 3.4X FASTER THAN INCOMES BETWEEN 2000 AND 2020

WA Median Home Price and Median HH Income 2000-2020



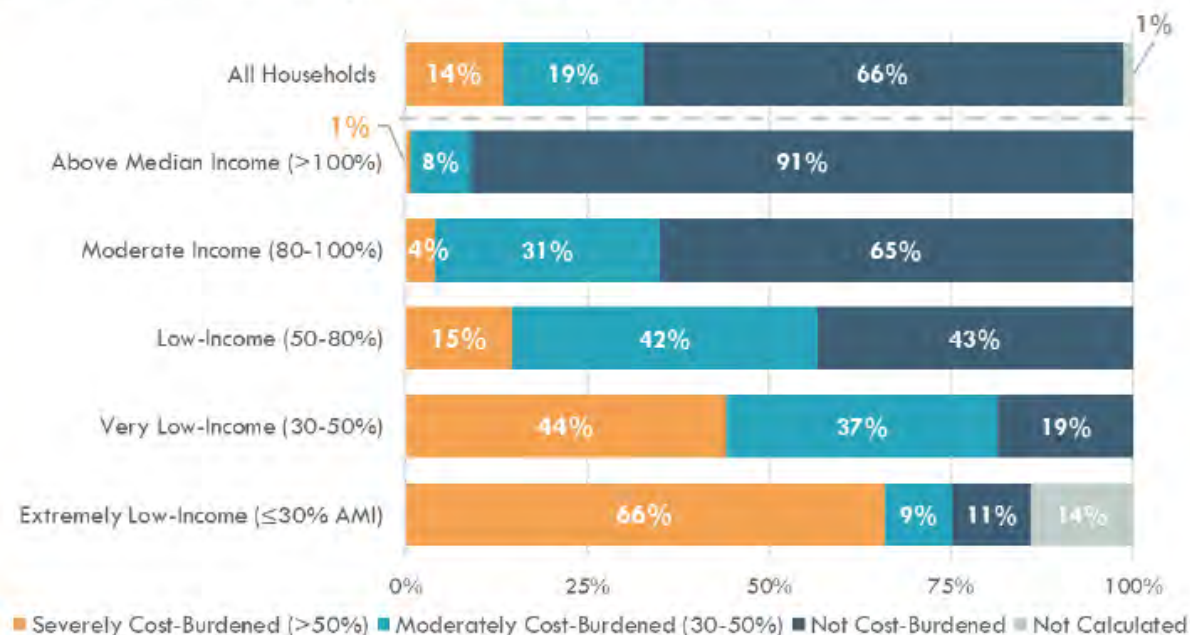
Source: WA State Office of Financial Management



## KEY FINDINGS

- **In Pierce County over 100,000 households experience cost burden.** This is about one-third of all households.
- Of these, over 43,000 households are severely cost-burdened. Rates of cost burden are much higher among the lowest income brackets.

Rates of Cost Burden by Income Level, 2014-2018



Sources: HUD CHAS (based on ACS 2014-2018 5-year estimates); AMI = HUD Area Median Family Income; BERK, 2022.

A household is moderately cost-burdened if it spends 30-50% of its income on housing.  
A household is severely cost-burdened if it spends more than 50% of its income on housing.



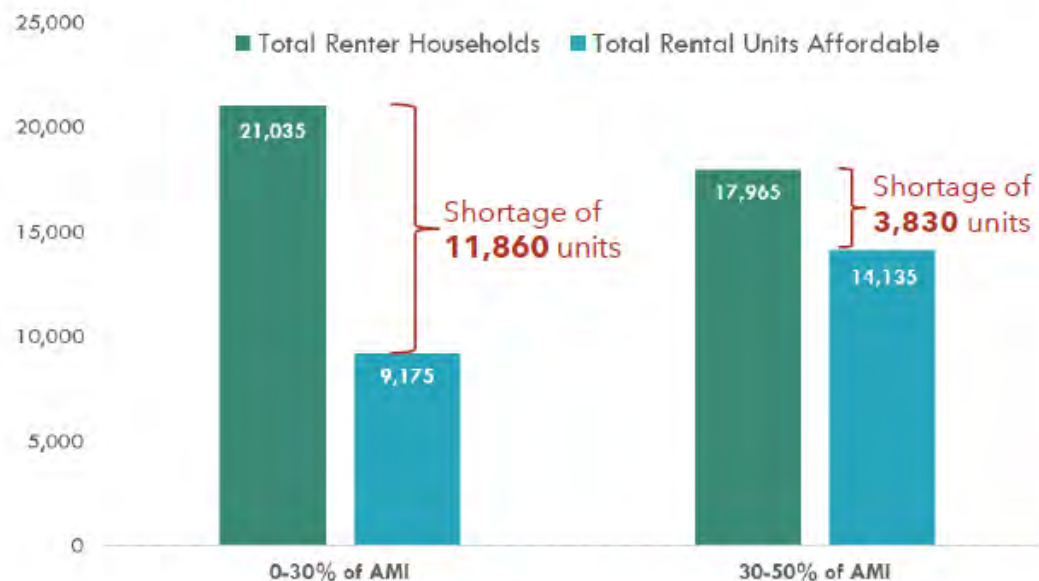
Source: 2022 Pierce County Housing Needs Assessment



## KEY FINDINGS

- **There is a shortage of 15,690 rental units affordable for households below 50% of AMI** compared to the number of renter households at this income level.
- Housing costs have increased significantly since 2018, so it is likely these shortages have increased.

### Affordable Rental Units Compared to Need, 2014-2018.



AMI = HUD Area Median Family Income

Source: HUD CHAS (based on ACS 2014-2018 5-year estimates); BERK, 2022.



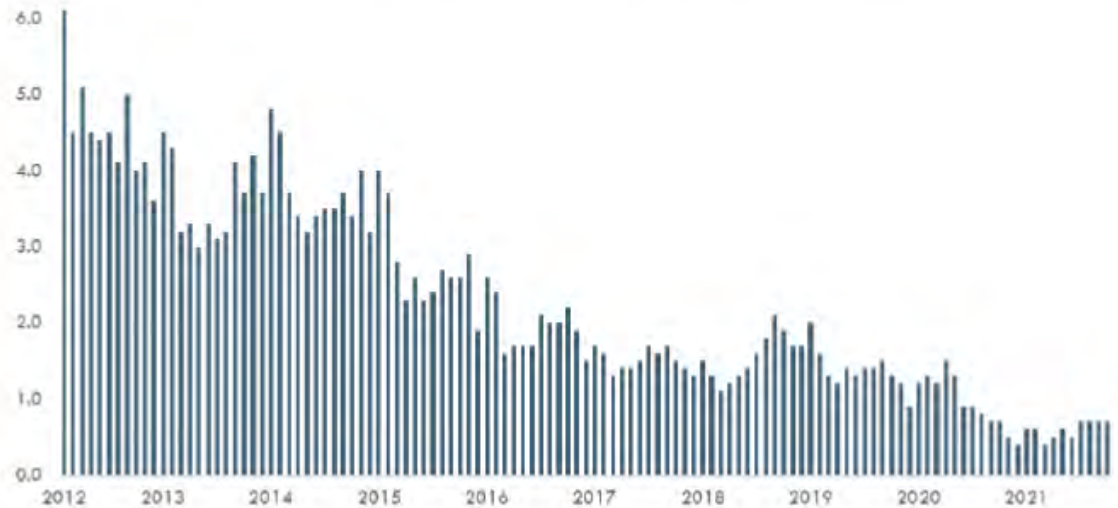
Source: 2022 Pierce County Housing Needs Assessment



## KEY FINDINGS

- **The inventory of homes for sale has dropped dramatically,** down 83% from 2012-2021.
- This lack of supply increases competition and drives up housing prices.

All Homes for Sale, by Months of Supply in Pierce County 2012-2021.



Sources: Redfin, October 2021; BERK, 2022.

*This chart compares the number of homes available for sale to the rate that homes are being sold. When months of supply dips below four, there is typically heightened competition and price escalation.*



Source: 2022 Pierce County Housing Needs Assessment



## ESTIMATED UNDER-PRODUCTION OF HOUSING 2010-2021

Household population growth, 2010-2021	130,044
Average household size, 2010	2.59
Estimated household growth, 2010-2021	50,210
Net new housing units produced, 2010-2021	37,227
<b>Underproduction of units compared to household demand</b> (assuming 6% vacancy)	<b>13,666</b>

Sources: OFM, 2021; Census 2010 & 2020; Census ACS 2019; BERK calculations.



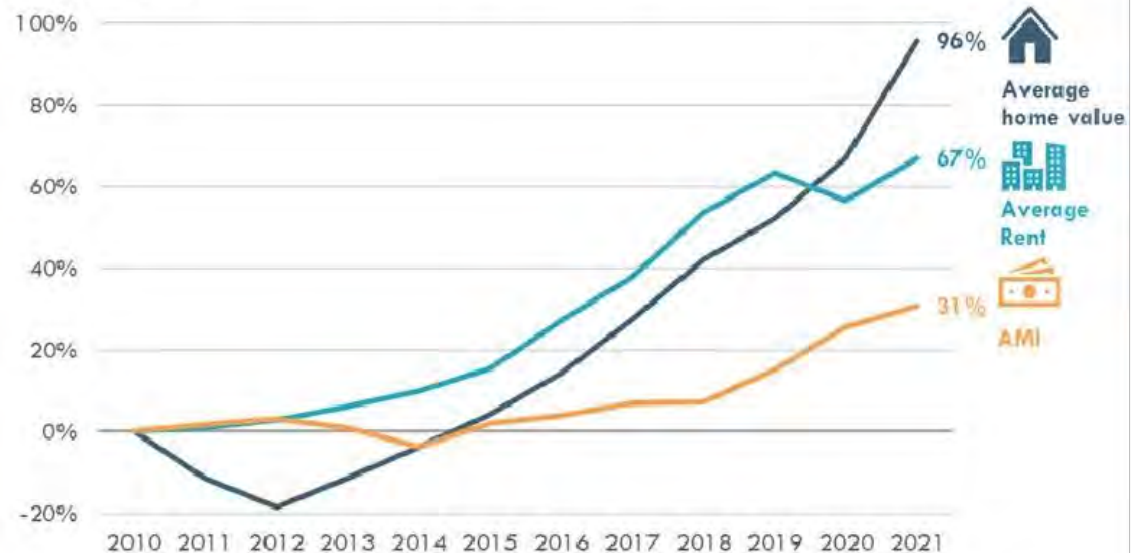
Source: 2022 Pierce County Housing Needs Assessment



## KEY FINDINGS

- Housing costs have risen three times as fast as incomes over the past decade in Pierce County (2010-2021).
- The cost to purchase an average home is only affordable to those with incomes 150% AMI or higher.

**Percent Change from 2010 for Home Values, Rents, and HUD Area Median Family Income.**



*Notes: Decline in 2020 rental rates may be impacted by COVID-19 pandemic. Home value increase in 2021 could be partially attributed to the monthly data through September of the year, as values often show a slight decline at the end of the year. Sources: Zillow, Sept 2021 (Home Values); WCRER Fall Apartment Survey, 2010-2021 (Rent); HUD, 2021 (AMI); BERK, 2022.*



Source: 2022 Pierce County Housing Needs Assessment



### 3 in 4 Low-Income Renters Needing Rental Assistance Do Not Receive It

The poorest renters face a far greater risk than other households of eviction, homelessness, and other hardship. With [limited funds](#), federal [rental assistance](#) programs can only help 25 percent of renters in need afford modest housing.



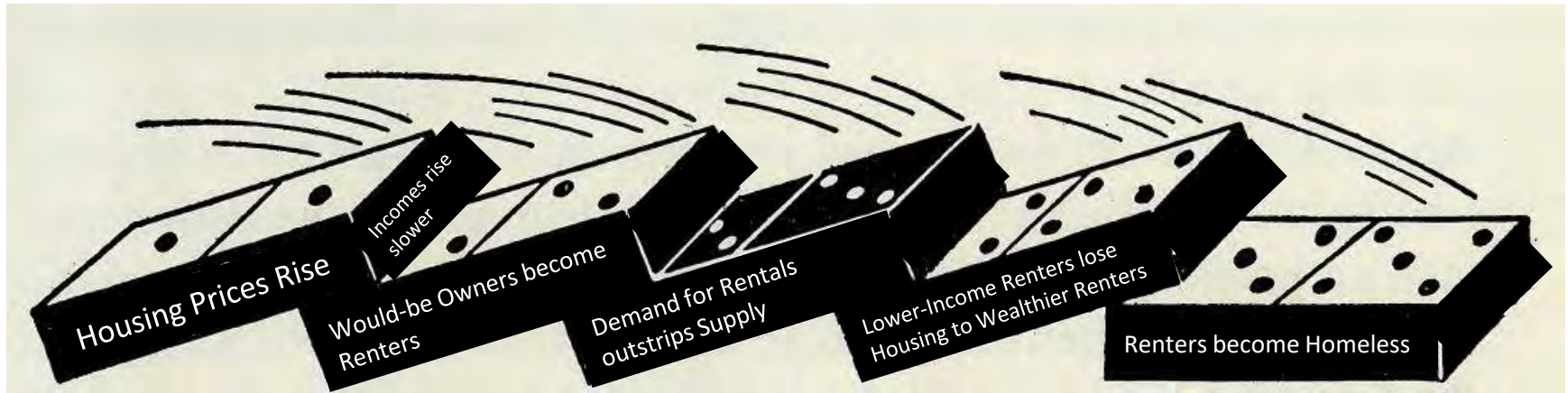
Notes: "Low-income" = 80 percent or less of local [median income](#). Households "needing rental assistance" pay more than 30 percent of monthly income for housing and/or live in overcrowded or substandard housing. For more on how we count assisted renters, please see our [federal rental assistance factsheets methodology](#).

Sources: Department of Housing and Urban Development (HUD) custom tabulations of the 2019 American Housing Survey; 2018 HUD administrative data; FY2020 McKinney-Vento Permanent Supportive Housing bed counts; 2019-2020 Housing Opportunities for Persons with AIDS grantee performance profiles; and the USDA FY2020 Multi-Family Fair Housing Occupancy Report.

**Federal rental assistance has not kept pace with growing need.** From 2007 to 2019, the number of renter households with very low incomes either paying more than half their income for rent or living in severely substandard housing, known as worst-case housing needs, increased 32 percent.

During this same period, the number of households receiving federal rental assistance rose only 3 percent.





DESCENT INTO HOMELESSNESS BEING ACCELERATED BY HOUSING PRICES THAT ARE PUSHING MORE HOUSEHOLDS OUT OF THEIR HOUSING OVER TIME



About Lakewood:

Incorporated in 1996

2<sup>nd</sup> largest city in Pierce County (2020 Census Population: 63,612)

Host City to: Joint Base Lewis McChord (JBLM); Western State Hospital; Fort Steilacoom Park and Summerfest; Clover Park Technical College; Pierce College; Pierce Transit; Sounder Station

	Lakewood	Pierce County
White Alone	54.7%	70.6%
Black Alone	12.7%	7.4%
American Indian Alone	1.3%	1.4%
Asian Alone	9.7%	6.6%
Pacific Islander Alone	3.0%	1.6%
Some Other Race	8.6%	4.3%
Two or More Races	9.9%	8.0%
Latinx Origin	18.0%	11.4%

Source: ESRI Community Profile, 2020.

	Lakewood	Pierce County
Housing Units	28,005	359,973
Owner Occupied	44.5%	61.6%
Renter Occupied	46.3%	31.8%
Vacant Housing Units	9.1%	6.7%
Median Home Value	\$291,792	\$333,031
Median Income	\$52,002	\$70, 635

“Median” = ½ above, ½ below)



## About Lakewood:

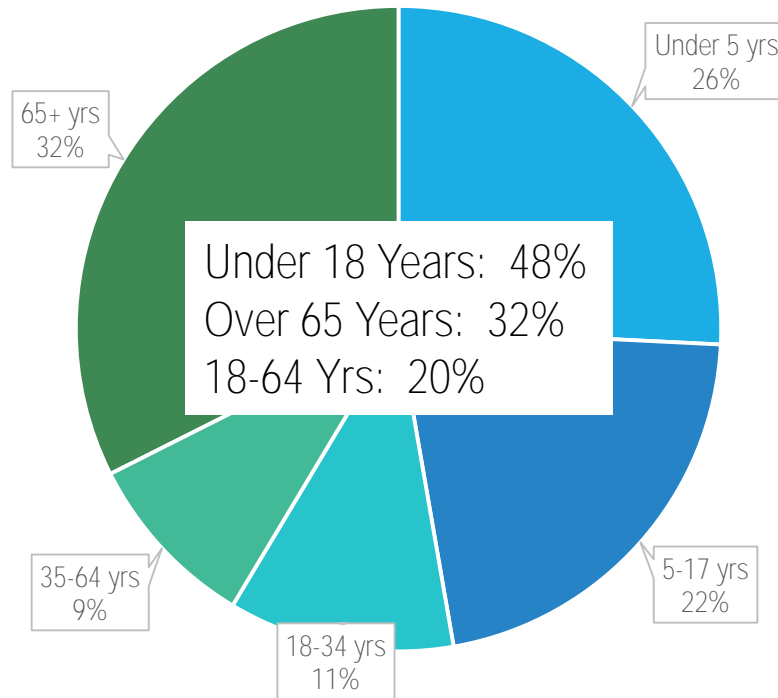
	Lakewood	Pierce County
Total Employed	92.3%	94.6%
Construction	8.0%	8.8%
Manufacturing	5.4%	8.9%
Retail	11.6%	11.9%
Finance/Insurance/Real Estate	5.2%	4.8%
Services	50.7%	45.8%
Public Administration	9.0%	7.1%

Source: ESRI Community Profile, 2020.

Lakewood Employment Over Time			
	2001	2010	2018
Administrative/Support/Waste Mgmt /Remediation Services	828	817	1,036
Agriculture/Mining	40	57	48
Arts/Entertainment/Recreation	688	913	802
Construction	955	1,199	1,682
Educational	2,641	2,627	2,741
Finance/Insurance/Real Estate	1,612	1,366	1,318
Health Care/Social Assistance	6,745	7,993	11,135
Information	229	205	219
Manufacturing	1,078	929	956
Professional/Scientific/Technical Services	705	896	921
Public Administration	545	751	518
Retail Trade	2,682	3,377	3,289
Services (Accommodation, Food, Other)	3,816	3,973	4,240
Transportation and Warehousing	1,048	1,836	2,188
Wholesale Trade	852	812	900



**2019 Population of Lakewood in Poverty**  
**Total = 9,793 people (16.6% of City Population)**  
**Percentage Breakdown of those in Poverty by Age**



Males in poverty: 15.7%  
Females in poverty: 17.5%

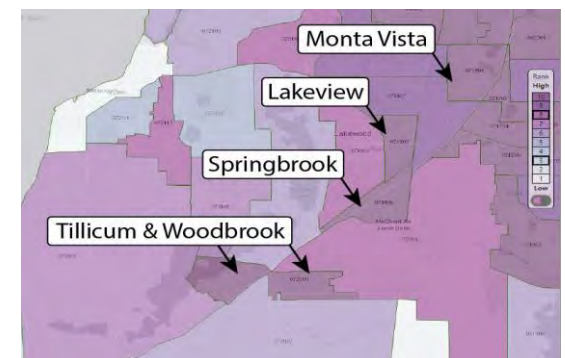
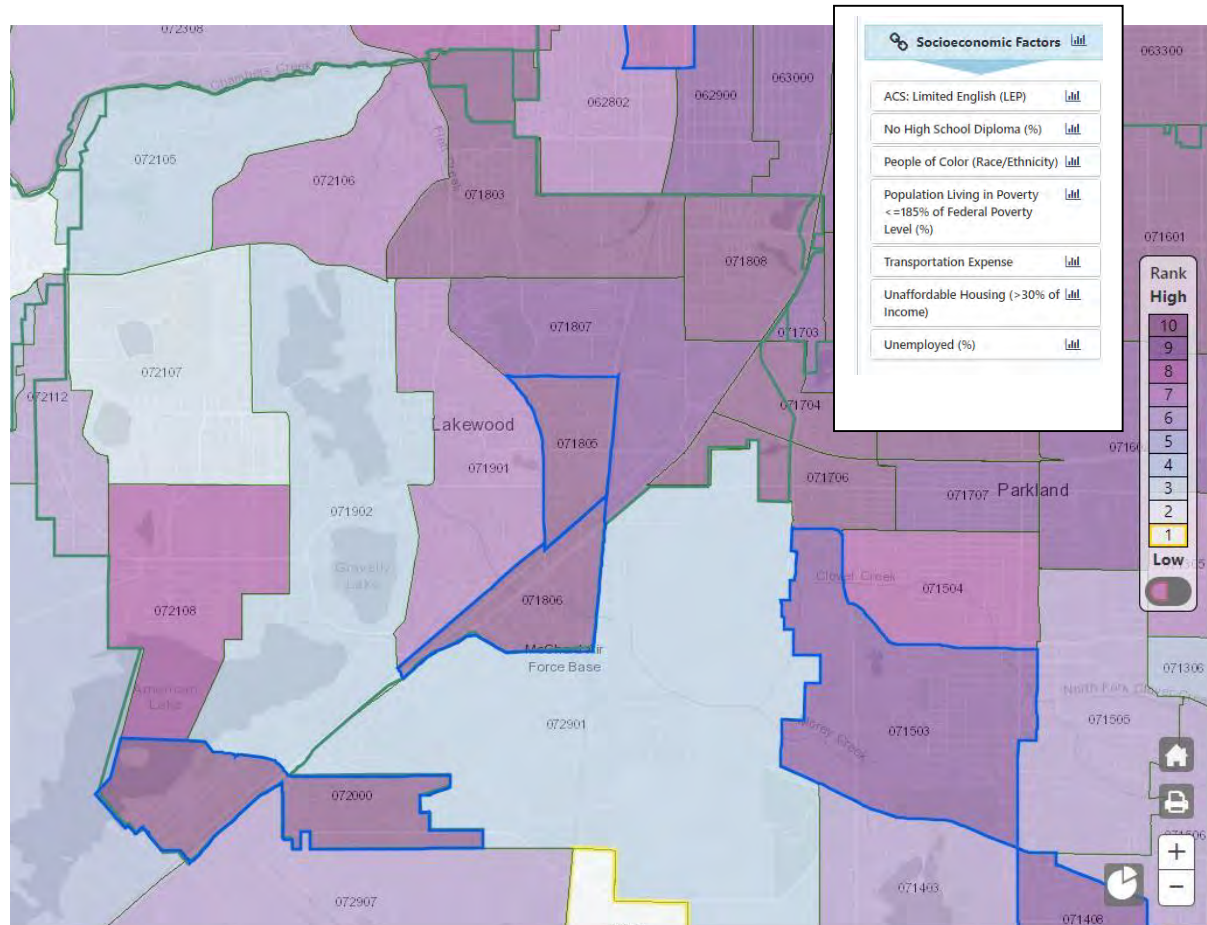
Population at 50% of  
poverty rate = 4,503  
people (7.65%)

Source: 2019 ACS 5-Year Estimates Detailed Tables



## Socioeconomic Disparities in Lakewood

The Washington Environmental Health Disparities Map shows, among other things, measures like poverty and cardiovascular disease. Lakewood has areas ranked high for socioeconomic factors, as shown below.

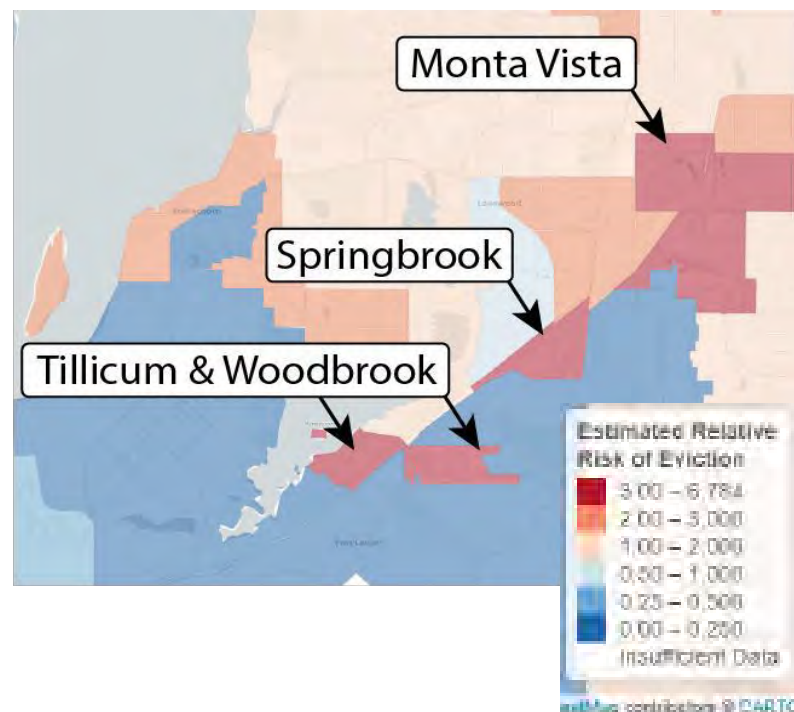
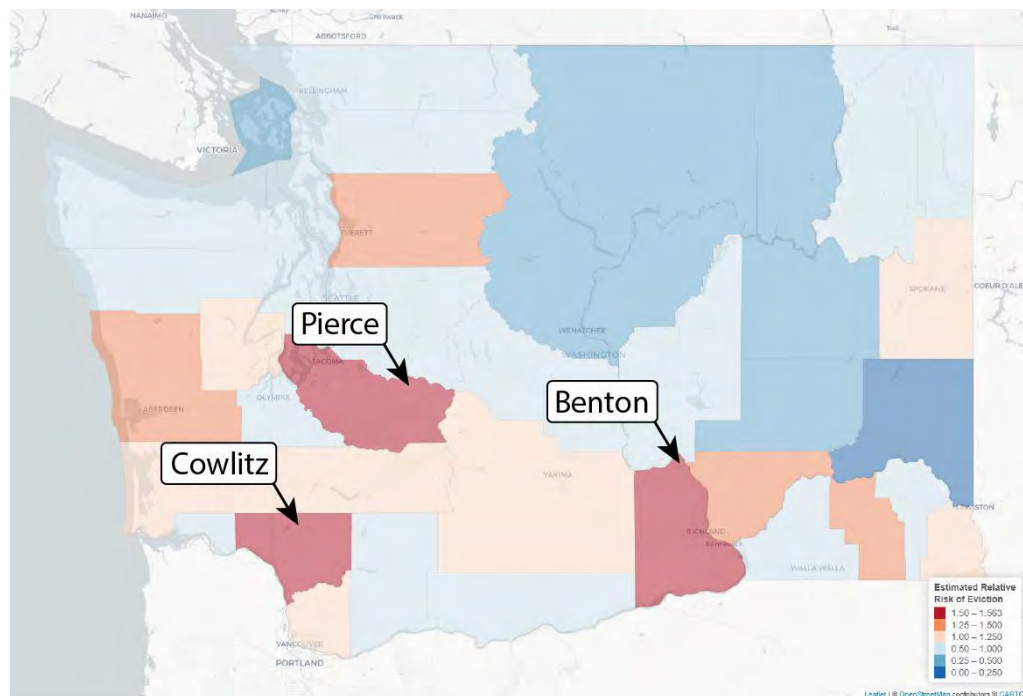


<https://doh.wa.gov/data-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map>



Lakewood residents also face a higher risk of eviction than in most of Washington State. The following maps show the relative risk of eviction faced by residents:

- the first map shows the relative risk of eviction by county;
- the second shows the relative risk of eviction by Lakewood census tract.

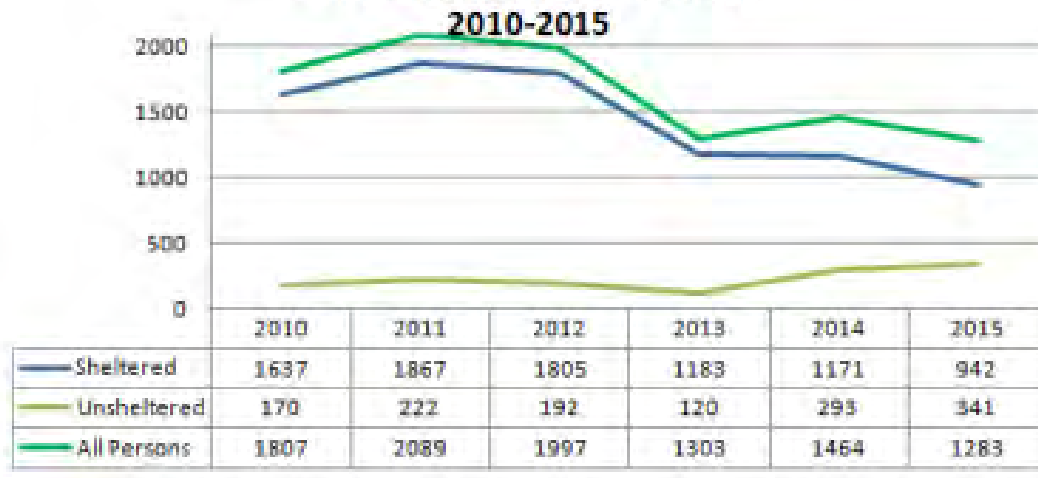


<https://evictions.study/washington/maps/summary.html>



## Pierce County

### All Persons in PIT Count



#### Shortcomings in PIT counts are well known and were further disrupted by COVID-19.

§ **Counting methods vary across regions.** Each CoC chooses from among a number of HUD-approved counting methods that will work for their region and resources. For example, Portland officials attempt to survey each homeless person while Seattle uses a combination of one-night headcounts followed by surveys of a sample of the homeless. Varied methods create challenges for interregional comparisons.

§ **Counts are inherently low and miss hard-to-locate populations.** Researchers and volunteers' best efforts inevitably miss individuals who are sleeping in obscure places or who double-up with friends and families. Language barriers can contribute to undercounts.

§ **Counts rely on unverified, self-reported conditions.** Measurement of key subpopulations (e.g., chronic, disabled) are based on self-reported conditions and are not subject to verification.

§ **Changes in a categorization and purpose of a housing facility can change the homeless count.**

<https://www.piercecountywa.gov/4719/Homeless-Point-in-Time-PIT-Count>



Pierce County Point in Time (PIT) Count Results for Lakewood - Last Reported Zip Code*				
Year	Countywide Sheltered*	Countywide Unsheltered	Lakewood Sheltered*	Lakewood Unsheltered
2016	1,268	494	105	25
2017	817	504	51	18
2018	878	750	106	51
2019	857	629	92	44
2020	983	914	100	44
2021: Due to the ongoing COVID pandemic, there was no unsheltered survey conducted, which caused the 2021 totals to be lower than previous years. This is not an indication of fewer people experiencing homelessness. Unsheltered surveys resumed in 2022.	1,005	Unknown	74	Unknown
2022 (results expected by 3/31/22)	TBA	TBA	TBA	TBA
*Not all individuals answered this question				

The PIT Count includes both **sheltered** individuals (emergency shelters or transitional housing) and **unsheltered** individuals (those sleeping outside or living in places that are not meant for human habitation). The HUD definition of "sheltered" includes ONLY shelters or transitional housing that report in HMIS.

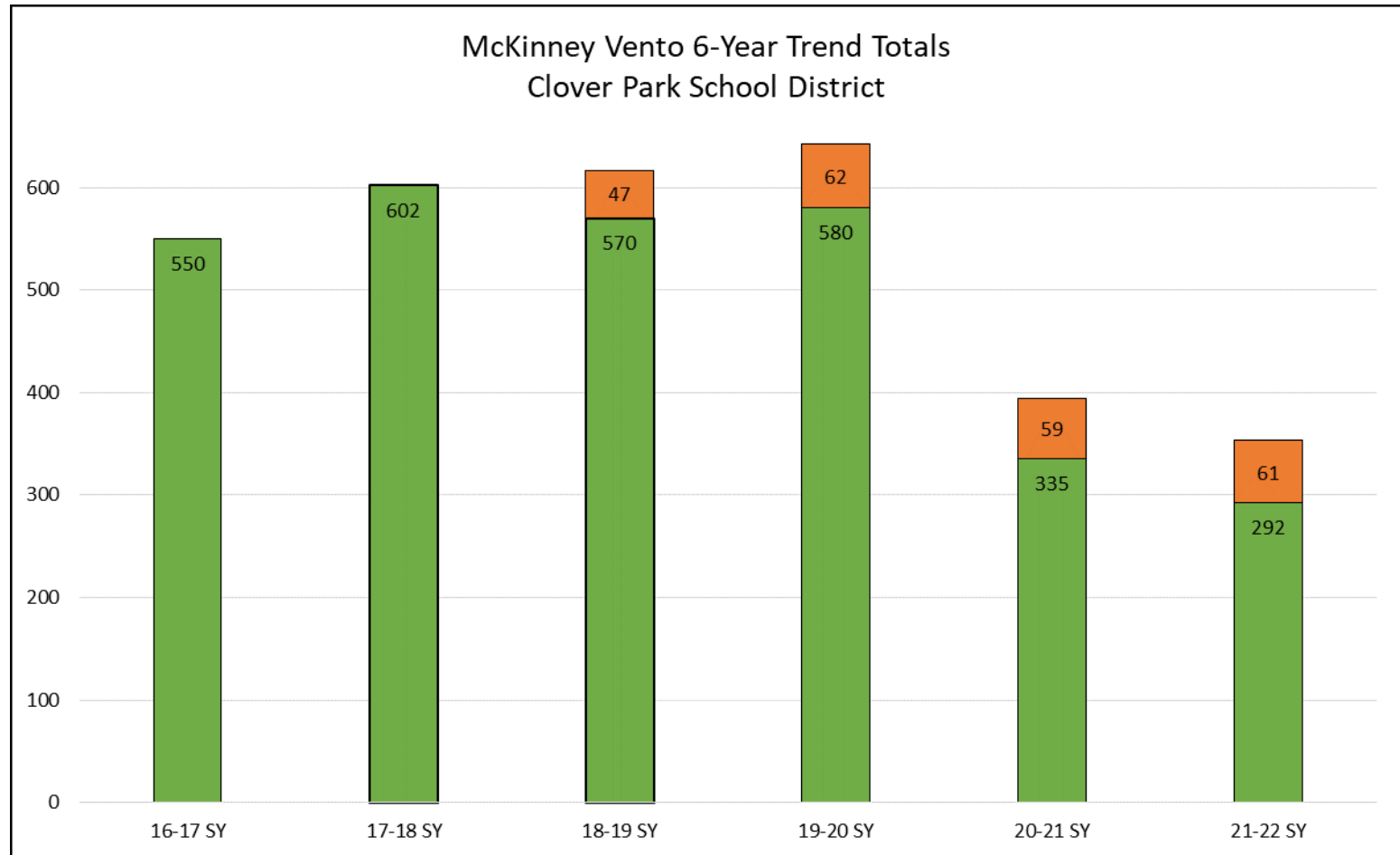
Both 2021 and 2022 PIT results affected by COVID-19

- 2021 = no unsheltered count
- 2022 = two years of COVID's effect on economy and housing

<https://www.piercecountywa.gov/4719/Homeless-Point-in-Time-PIT-Count>

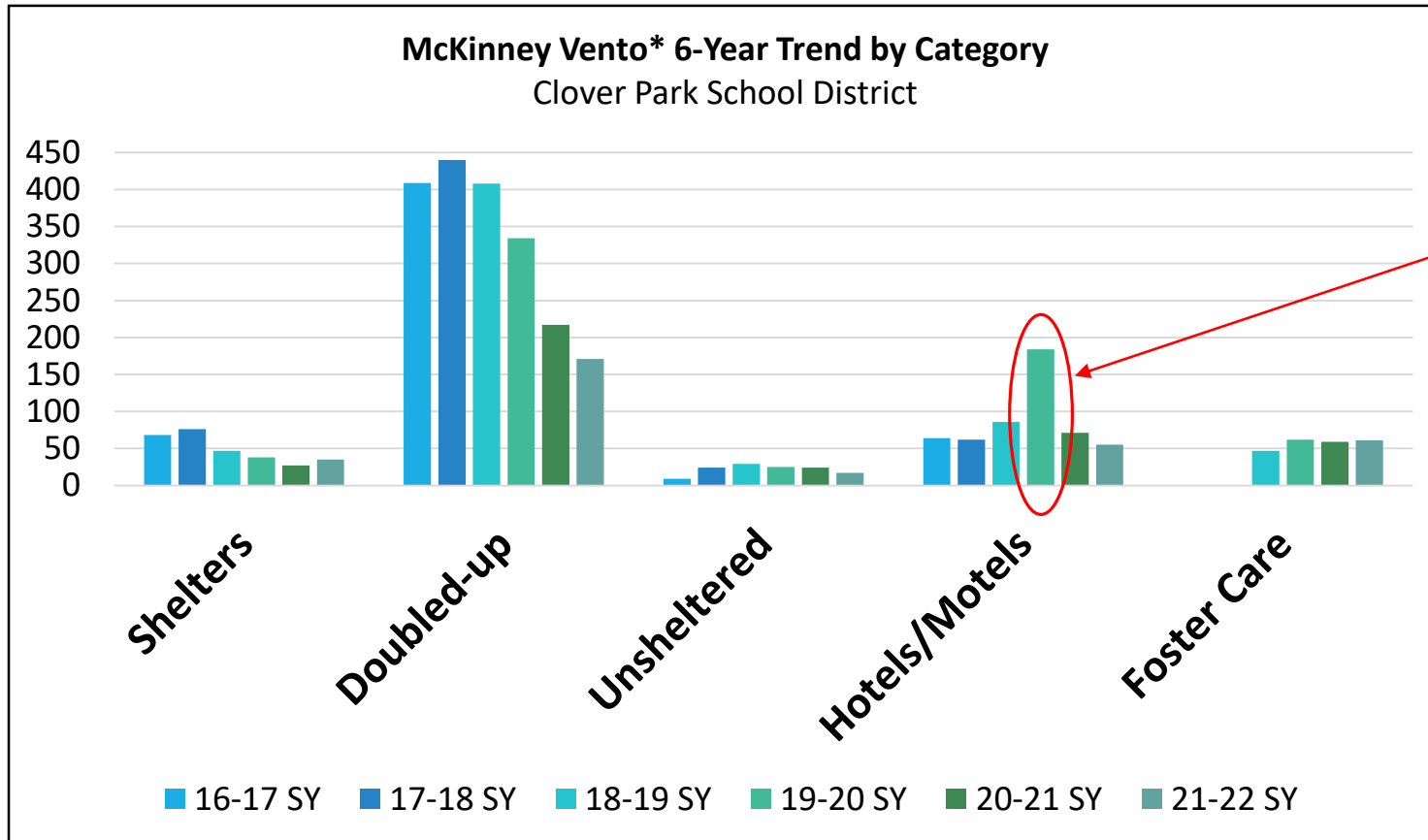


## Students Experiencing Homelessness and in Foster Care February 16, 2022





## Students Experiencing Homelessness and in Foster Care February 16, 2022



**Note:** High increase in hotels/motels during the '19-'20 School Year due to mold issue in military housing & JBLM temporarily placing a large number of families in hotels to rectify the problem.

**Shelters** = Emergency or transitional shelters or programs.

**Doubled-up** = Sharing the housing of others due to loss of housing, economic hardship, or similar reason.

**Unsheltered** = Living in public/private places not meant to be used as a nighttime residence. Includes parks, abandoned buildings, sleeping in car, as well as substandard housing due to lack of alternative adequate options.

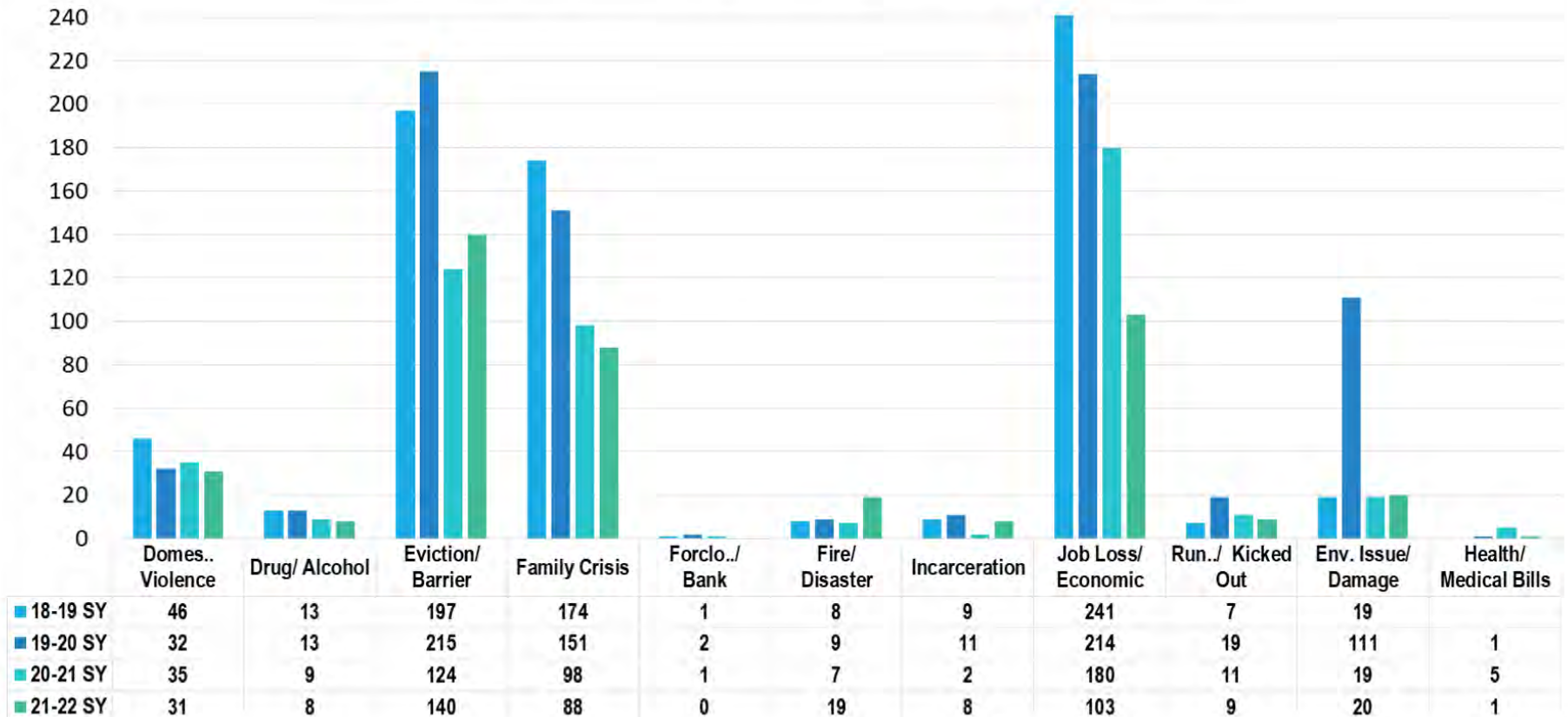
**Hotels/Motels** = Due to same reasons as above and a lack of alternative adequate accommodations.

**Foster Care** = Students who are placed away from their legal parent/guardian by a child welfare agency, also known as dependent under the custody of the state.



## Students Experiencing Homelessness and in Foster Care February 16, 2022

Reason Students Lost Housing '18-'19 , '19-'20, '20-'21, & '21-'22 School Years





# Leveraging Community Partnerships



Challenges/barriers to getting out of homelessness and obtaining housing:

- a) Overwhelmed homeless assistance services & shelters
- b) Large number of people needing extensive services
- c) Lack of affordable housing & continued increases in rent
- d) Move-in costs
- e) Lack of comprehensive resources (Ex: a family may need help in several areas... i.e. finding & keeping employment, transportation, mental health services, etc.
- f) Transportation & high mobility
- g) Difficulty navigating resources...
- h) For foster students – lack of foster homes, overwhelmed system

That is why community partnerships are an essential part to help students experiencing homelessness and in foster care better succeed in school.

**am** ASSOCIATED  
MINISTRIES



The Wishing Well  
Foundation



communities  
in **SCHOOLS**



**Clover Park**  
School District  
Creating Promising Futures

  
**CATHOLIC COMMUNITY SERVICES**  
SERVING PEOPLE OF ALL BELIEFS

**United Way**

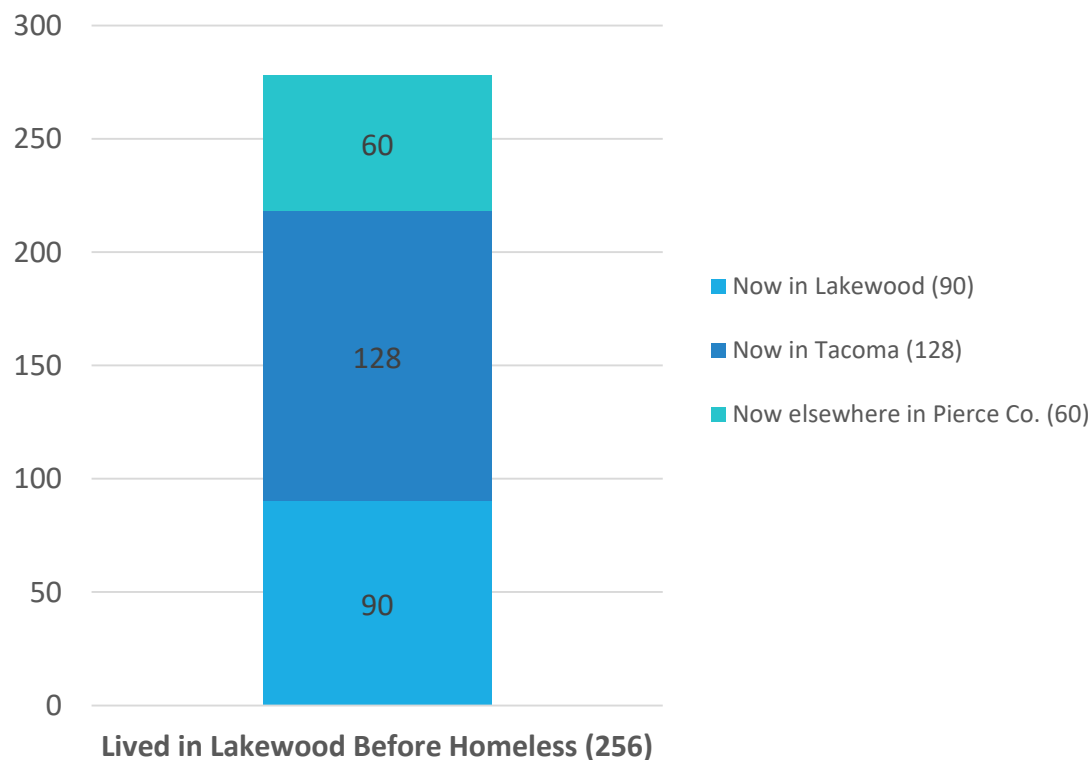
 **ST. LEO**  
**FOOD**  
CONNECTION



As of March 3, 2022 and per Homeless Management Information System (HMIS) data, individuals currently believed to be experiencing homelessness in Pierce County have provided the following information:

Homeless Sleeping in Lakewood Now	Lived in Lakewood before Homeless
191	128 (67%)

Lived in Lakewood before becoming Homeless	Now in Tacoma (sheltered or not)	Now in Lakewood (sheltered or not)	Now In Emergency Shelter Somewhere
256	128 (50%)	90 (35%)	60 (23%)





Shelter Report: Monday, March 7, 2022

#### Bed Utilization

Intervention Type	Bed Utilization
Emergency Shelter	1180
Transitional Housing	100
<b>Total Bed Utilization</b>	<b>1280</b>

#### Available Beds

Unit Type	Beds Available
Single Adult	27
Single Adult - Puyallup Police Referral	8
Unaccompanied Youth	4
Young Adults	2
Veterans	10
Families	4
Mixed Household Type	0
<b>Total Beds Available</b>	<b>55</b>

#### Weekly Statistics

Weekly Statistics for week of 2/28/22 – 3/6/22	Clients
New to Homelessness in last 7 days	207
Shelter Enrollments in last 7 days	134
Shelter Exits in last 7 days	152
Permanent Housing	13
Percent of exits to Permanent Housing	9%
Temporary Housing	6
Hospital, treatment, or Prison	1
Homeless or Unknown	132



LPD Behavioral Health Contact Team  
LASA Partnership  
Aspen Court Referrals



Intervention  
(after it has happened)

HOMELESSNESS

Emergency Assistance for Displaced Residents



Diversion  
(when it's  
happening)

Historical focus of most of City  
Lakewood's Initiatives,  
Partnerships & Funding



Prevention  
(before it  
happens)



# Lakewood Human Services, Housing and Homeless Prevention

Since incorporation, the City has been proactive in addressing the human, social and housing service needs of the Lakewood community. The City has responded to these problems in a number of ways, including collaborative partnerships and the contribution of funding to individuals and local service providers. These combined prevention and intervention efforts create a safety net for our residents to help prevent homelessness.

The City partners with multiple organizations within Lakewood to address homelessness and mental health issues, including: Living Access Support Alliance (LASA), Habitat for Humanity, Western State Hospital, Catholic Community Services, Greater Lakes Mental Health, St. Clare Hospital, two methadone clinics, Tacoma Treatment Solutions and Northwest Integrated Health.

Lakewood has initiated 17 key programs to date. Not including ARPA, the adopted 2021-2022 Biennial Budget sets aside \$4,290,785 in support of a number of human services, housing and homeless prevention programs.

## **Human and Social Services (1% of General Fund)**

### **Behavioral Health Contact Team (BHCT)** **(EXPANDED in 2022)**

### **Mental Health Resource Coordinator**

### **Veterans Treatment Court (VTC)**

### **Community Development Block Grant (CDBG)**

Major Home Repair & Sewer Loan Program

Living Access Support Alliance (LASA)

Emergency Assistance for Displaced Residents

HOME Housing Services

### **HOME Investment Partnerships Program**

Tenant-Based Rental Assistance (TBRA) Program

Homeowner Housing Rehabilitation

Affordable Housing Loan

Living Access Support Alliance (LASA)

Habitat for Humanity **(EXPANDED in 2021)**

### **Affordable Housing Sales Tax Credit Program**

### **Rental Housing Safety Program (RHSP)**

### **CARES Act (2020) (NEW)**

Individual & Family Assistance

Small Business Assistance

Commercial Landlord Assistance

Vital Government Services

City of Lakewood COVID-19 Response

### **ARPA (2021-2026) (NEW)**

Human and Social Services (1%)

Aspen Court Enhanced Shelter

Pre-Eviction Legal Representation

Job Training Assistance w BIPOC Focus

Teen Mental Health Services & Leadership Training

Rebuilding a Healthy Neighborhood Program

Handwashing Stations at Parks w/out Bathrooms

Youth Employment Program

Habitat for Humanity Boat St. Project Support

Career Team Workforce Training



**Behavioral Health Contact Team:** In February 2015, the City, in partnership with Greater Lakes Mental Health, created the Behavioral Health Contact Team (BHCT). This team consists of a mental health professional (MHP) and a dedicated police officer who are embedded with police patrol officers to serve as a resource for those who are homeless and/or suffering from addiction issues and/or mental or behavioral health issues. The adopted 2021-2022 budget includes funding for a second mental health professional (MHP) to begin in July 2021, increasing the size of the BHCT to three personal to further assist police patrol as well as support the City's Rental Housing Safety Program (RHSP) team who often encounter people in distress and in the need of assistance for a range of issues, including hoarders, isolated seniors, and renters having difficulty maintaining their property due to behavioral health issues.

Since its inception in 2015 through September 2020, the BHCT has helped 3,093 people or an average of 546 per year find needed services. Some of the individuals helped by the BHCT avoid (re)entering the tragic cycle of jail and/or the hospital time to return to the same or similar circumstances.

Year	Behavioral Health Contact Team (BHCT)		
	Calls for Service	Referrals	Connections
2015	639	66	103
2016	594	111	75
2017	545	167	199
2018	465	228	102
2019	531	188	108
2020 (mid-Sep)	319	40	66
<b>Total</b>	<b>3,093</b>	<b>800</b>	<b>653</b>
Monthly Average	45	12	10
<b>Annual Average</b>	<b>546</b>	<b>141</b>	<b>115</b>



## **Partnership Opportunities**

Heather Moss, Pierce County

Duke Paulson, Tacoma Rescue Mission

Living Access Support Alliance (LASA)

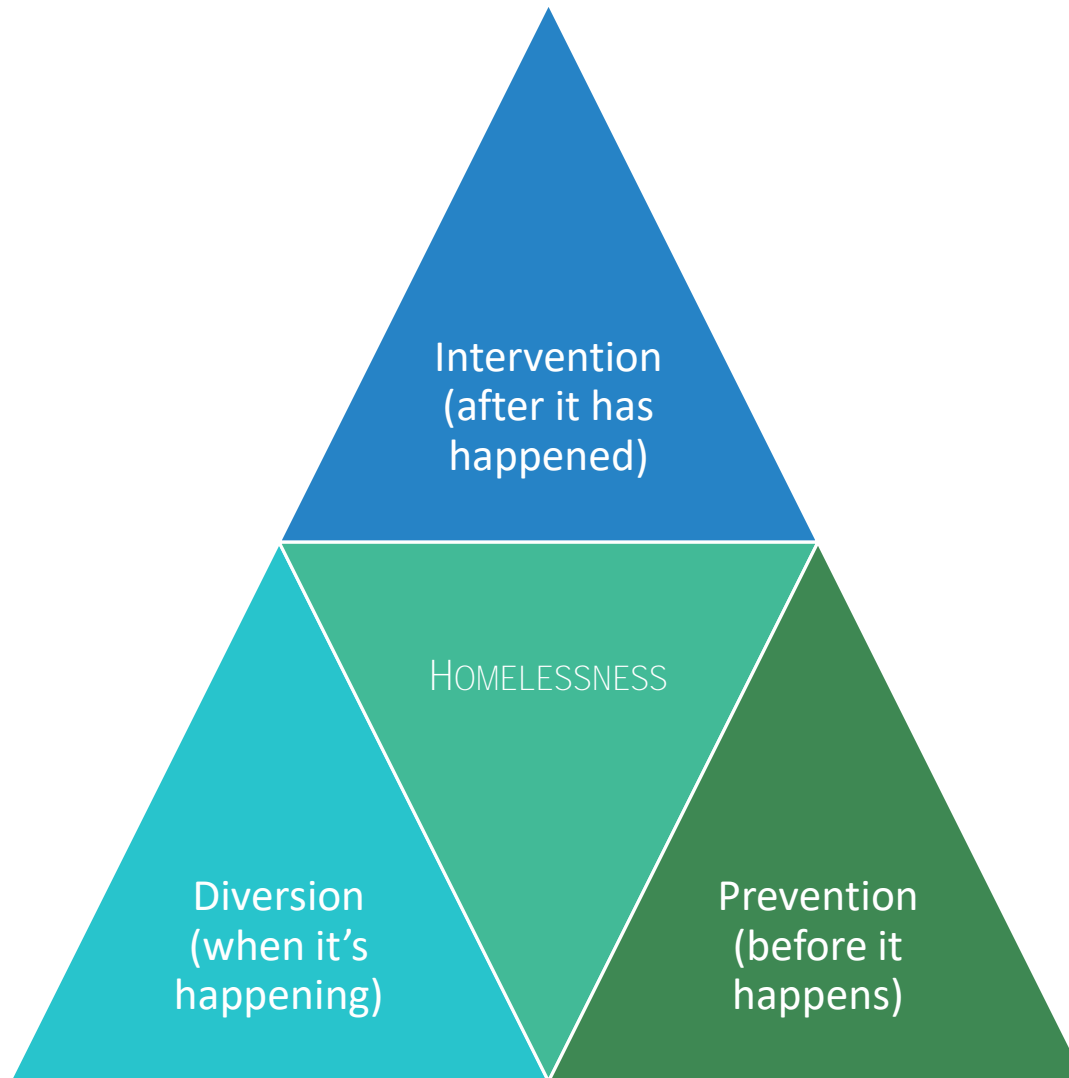


**2022 Pierce County Homeless Services Assessment**  
Andrew Dyke, ECONorthwest



# **City of Lakewood Homelessness Priorities Discussion**







# Lakewood Human Services, Housing and Homeless Prevention

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Career Team Workforce Training



# Lakewood Homelessness Priorities

Prevention

Diversion

Intervention

## Partnership Opportunities

- CPEH Unified Regional Office
- Emergency & Enhanced Shelter Units
- Permanent Supportive Housing Units
- Workforce Training
- Others?

## Allocating/Re-allocating Funding

- 1% Human Services
- 1406 Funds
- 2060 Funds
- 2163 Funds
- HUD CDBG/HOME Funds
- Treasury ARPA Funds
- HOME-ARPA Funds
- General Fund
- RHSP
- Others?



## Background Documents included in Appendices

- Lakewood 2022 Annual Housing Report
- 2020-2024 Tacoma-Lakewood Consortium CDBG/Home Consolidated Plan and Annual Action Plans
- 2021 National Low Income Housing Coalition *Out of Reach* Report
- 2022 Pierce County *Homeless Services Assessment Study*
- 2021 Pierce County *Comprehensive Plan to End Homelessness*
- 2020 Pierce County Annual Homeless System Performance Dashboard
- 2017-2021 Pierce County Point-in-Time Counts
- 2019 American Community Survey and 2020 Census Data for Lakewood
- 2021 PSRC Regional Housing Needs Assessment
- 2022 Pierce County Housing Needs Assessment
- 2021-2022 Lakewood Human Services, Housing and Homelessness Prevention



**Lakewood City Council Retreat on Homelessness**  
**March 3, 2012**  
**Appendices**

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# 2021 Lakewood Annual Housing Report

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LAKEWOOD CITY COUNCIL

FEBRUARY, 14, 2022



# 2021 Annual Housing Report

## Topics:

Lakewood and Area Population and  
Commuting

Lakewood Income and Poverty  
Characteristics

Housing Market Conditions

Lakewood Housing Production

Housing Assistance Programs and  
Partnerships

Availability of Low Income & Subsidized  
Housing

Housing Plans and Policies

Special Report on Mobile Home Parks

Environmental Factors Affecting Housing

Why Do We Have Problems with Housing  
Production?

How Do We Fix This - or Can We?

## Statistical Highlights

- Tacoma-Lakewood Metropolitan Area population continues to grow. As of January, 2022, it is estimated at 928,200.
- Estimated population countywide by 2050, 1,250,000 million.
- Rate of population growth spurred by increased net in-migration from King County (partly attributable to the disparity in housing costs; the average home sales price in Pierce County has been approximately 50 percent less than the average home sales price in King County since 2013).
- Owner occupied housing, 43.4 percent (lower than Tacoma, Pierce County, King County & WA State).
- Persons living in poverty, 16.6 percent (about twice as high as the rest of Pierce County).
- Households, 2015-2019, 24,725.



# Housing

- Housing costs have risen three times as fast as incomes over the past decade in Pierce County (2010-2021)
- The cost to purchase an average home is only affordable to those with incomes of 150 percent Area Median Income (AMI) or higher.
- According to the Puget Sound Regional Council's 2021 Regional Housing Needs Assessment<sup>16</sup>, housing production for the period 2010-2020 lagged behind growth targets by 40,000-50,000 housing units.
- Lakewood has a wide range of apartment rents; however, Lakewood has become increasingly unaffordable for the City's median income. A median income household, based on 30% being used for rent, could afford a maximum of \$1,299.30 per month. Rents averaged \$1,133, \$1,182, \$1,467, and \$1,972 for studios, one-bedroom, two-bedroom, and three-bedroom units, respectively.
- Even though the market conditions are constrained, comparatively speaking, Lakewood remains more affordable than surrounding communities.
- Apartment market conditions in Lakewood continue to be tight, with a **2.7% vacancy rate** December 2021.
- Rent debt continues to be a major issue facing citizens in the Tacoma-Lakewood Metropolitan Area. 13,855 households were behind on rent as of August, 2021. Average rent debt per household is \$3,100. The total rent debt in the area is \$42,337,000.
- Average retail price of housing in Q3 2021 showed a 19.3% increase since Q3 2020 in the Tacoma-Lakewood Metropolitan Area.
- Housing demand in Lakewood remains strong: 48.8% of homes sold above list price in the past year.
- Median price of a home, Seattle-Tacoma-Bellevue area is **\$708,400** as of Q3 2021. Median price of a home in the Tacoma-Lakewood metropolitan area is **\$475,000**.



Apartment Rents by Nearby Community			
Location	Average Rent	Y-o-Y Change	Average Size (sq ft)
Seattle	\$2,197	+13.6%	692
Puyallup	\$1,805	+11.7%	951
Federal Way	\$1,729	+12.7%	882
Auburn	\$1,699	+9.9%	778
Fife	\$1,603	+10%	854
Tacoma	\$1,576	+10.7%	833
Lacey	\$1,551	+13.7%	845
Parkland	\$1,516	+12.7%	911
<b>Lakewood</b>	<b>\$1,495</b>	<b>+14.0%</b>	<b>804</b>
Spanaway	\$1,395	+10.0%	684
Pierce County	Data not available at the county-wide level		



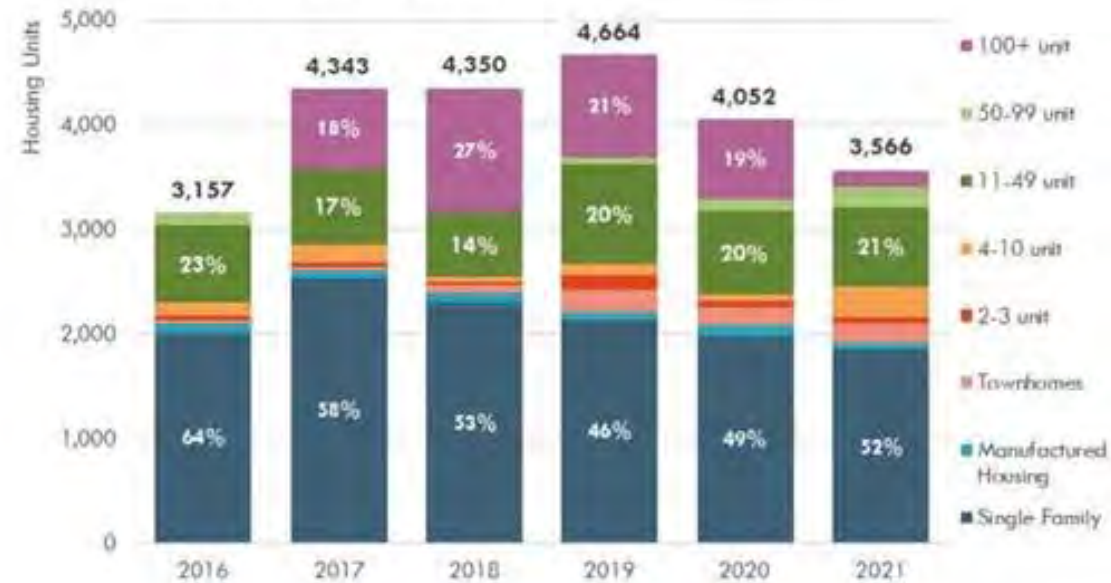
# Some key Findings

- The housing supply is primarily single family homes or larger multifamily buildings.
- There is a shortage of “missing middle” such as townhouses & multiplexes.
- Missing middle housing types are a small but growing share of recent housing production.
- Similarities between Pierce County and Lakewood housing mix.

**Total Housing Units in Pierce County by Units in Structure, 2021.**



**Pierce County Housing Unit Production by Units in Structure, 2016-2021.**



Sources: Pierce County Assessor, 2021; BERK, 2022.



# Housing Assistance Programs & Partnerships

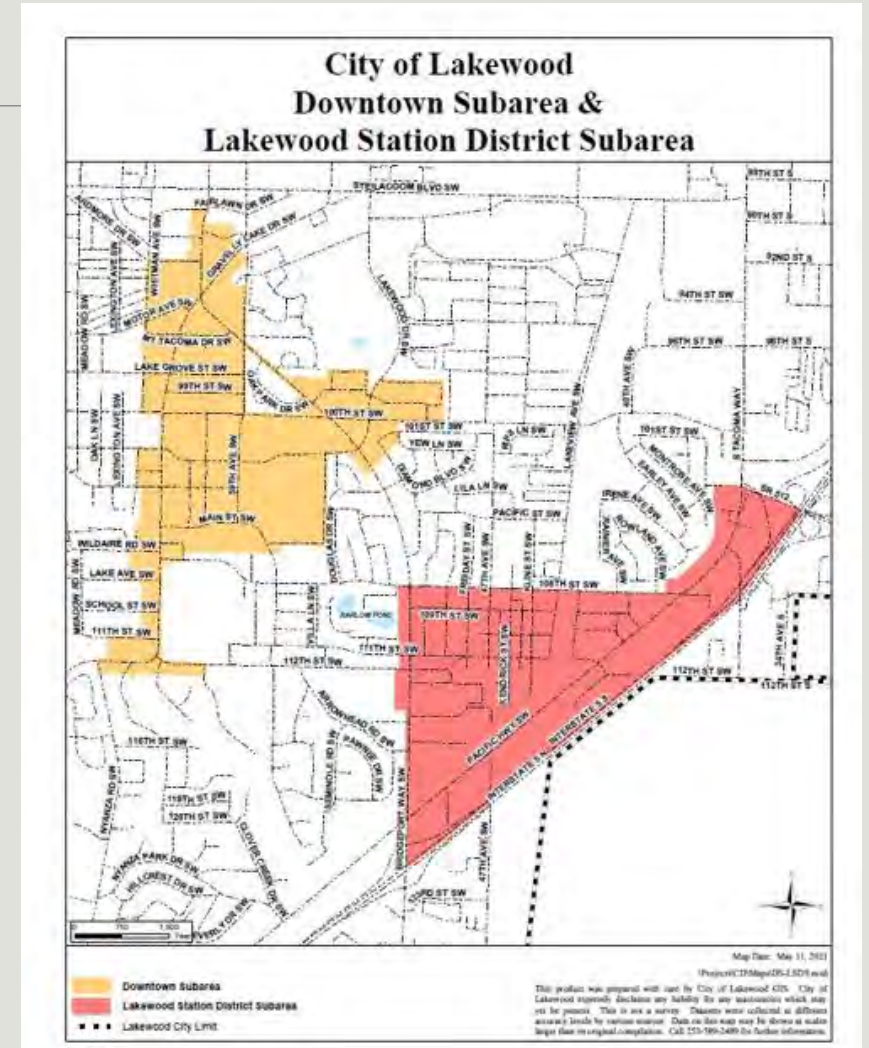
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- Living Access Support Alliance (LASA) Expansion
- CDBG and HOME Programs
- ARPA - Rebuilding Together South Sound, Rebuilding Healthy Neighborhoods
- COVID-related Mortgage and Rental Assistance programs - \$447,347.19
- Rental Housing Safety Program (RHSP)
- Habitat for Humanity Partnership
- American Rescue Plan Act (ARPA)
- ARPA - Habitat for Humanity, New Home Construction
- Affordable Housing Sales Tax Credit Program
- Dangerous & Nuisance Abatement Programs-frees up land, supports new housing development
- “New partnerships” with Habitat for Humanity & Rebuilding Together South Sound
- ARPA - LIHI, Aspen Court
- “Pre-COVID” Tenant-Based Rental Assistance (TBRA) program - \$108,038.42
- Multifamily Tax Exemption Program (MFTE) – 607 units
- Affordable Housing Initiative (2060) and Homeless Housing Act (2163) Programs



# Recent Additions to Lakewood Housing Policies

- South Sound Housing Affordability Partners (SSHA3P) - 2021
- “Missing Middle” code amendments - 2021
- Accessory dwelling units - 2019
- Lakewood Downtown Subarea Plan - 2018
- Lakewood Station District Subarea Plan - 2021





# Environmental Factors Affecting Housing Production

---

- Developers are being required — by regulation, by changes in building codes, or by consumer demand — to substitute more energy-efficient building materials for existing materials. Developers will be required to adopt new construction methods and technologies. All these changes are likely to be expensive and involve some amount of trial and error.
- Pending amendments to the City's Tree Preservation Code could affect housing production by imposing new requirements for tree preservation set-asides, restricting development, or potentially in-lieu of fees.
- Materials cost increases - price of lumber has gone up 188 percent since the beginning of the COVID-19 pandemic, adding *at least* \$24,000 to the price of a new single-family home, according to the National Association of Home Builders (NAHB).
- Sewer rates and fee increases will rise (increased development is polluting the waters of Puget Sound).



# Why do we have Problems with Housing Production?

---

- For the past 40 years, national housing supply has not kept pace with population growth.
- The number of new homes constructed below 1,400 square feet (“entry-level” homes for first-time homebuyers) has decreased sharply since the Great Recession, and is more than 80 percent lower than the amount built in the 1970s.
- Limited land supply combined with restrictive single family zoning.
- Supply constraints for rental housing.
- *The pandemic shifted families’ preferences for location and type of housing, exacerbating existing supply chain constraints that have persisted for many years, making the current housing situation even worse.*



# How Do we Fix this or Can We?

---

- Keep doing what Lakewood is already doing.
- Expect another round of “missing middle” zoning amendments.
- Locate the deficiencies in water and sewer services in Lakewood.
- Update the City’s Comprehensive Plan Housing Element (already underway).
- Review utility and special district permitting procedures.
- Consider financial options beyond CDBG & HOME. Does the City want to use ARPA funds to address not just homelessness, but housing, including the “missing middle?”
- Engage in active participation with the Washington State Housing Finance Commission.
- Seek an affordable housing demonstration project through SSHA3P?



# On the near horizon?





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# Questions?





**TO:** City Council  
**FROM:** David Bugher, Assistant City Manager/Community & Economic Development Director  
**THROUGH:** John Caulfield, City Manager  
**MEETING DATE:** February 14, 2022  
**SUBJECT:** Lakewood Annual Housing Report

---

**INTRODUCTION:** Each year the Community and Economic Development Department (CEDD) publishes its own annual housing report. There is no specific requirement for this report, but housing plays a key issue regarding Lakewood's future. Most of the department's resources are spent on housing. Housing has been and will continue be one of the department's primary assignments.

The content of the report changes from year-to-year. This year's report provides information on the following topics:

1. Lakewood and Area Population and Commuting
2. Lakewood Income and Poverty Characteristics
3. Housing Market Conditions
4. Lakewood Housing Production
5. Housing Assistance Programs and Partnerships
6. Availability of Low Income & Subsidized Housing
7. Housing Plans and Policies
8. Special Report on Mobile Home Parks
9. Environmental Factors Affecting Housing
10. Why Do We Have Problems with Housing Production?
11. How Do We Fix This - or Can We?

This report may answer some questions, but poses many others. There are no easy or quick solutions to the City's or the region's housing problems.

**SUMMARY CONCLUSION:** Lakewood has been working to address issues affecting housing availability and affordability since incorporation. Looking forward, there is a need to continue to reduce infrastructure deficiencies, to preserve existing affordable housing where possible, and to encourage new "missing middle" housing through policy, incentive, and regulation. These efforts will be affected by market forces, regional growth and economic trends, and climate change's effects on land use.



**LAKEWOOD AND AREA POPULATION AND COMMUTING:** As of January 21st, 2022, the population of the Tacoma-Lakewood Metropolitan Area is estimated at 928,200. Population continues to increase at a rate of approximately 1% per year, dipping slightly under 1% growth in 2021. Net in-migration continues to fuel a large portion of the population increase year-over-year<sup>1</sup>.

Year	2017	2018	2019	2020	2021
<b>Tacoma-Lakewood Metro. Area Population</b>	876,764	891,299	904,980	921,130	928,200
<b>Y-o-Y Change</b>	+3.15%	+1.66%	+1.51%	+1.75%	+0.76%

The Puget Sound Region currently encompasses approximately 4.3 million citizens. The VISION 2050 Regional Growth Strategy projects this will increase to 5.8 million by 2050. If we assume the Tacoma-Lakewood Metropolitan Area will hold a similar share of the region's population in 2050, we can expect a regional population of approximately 1,250,000 million in 2050. This rise in population further exacerbates the rise in housing costs over time.

The stronger rate of population growth in the metropolitan area since 2015 is largely because of increased net in-migration from King County, which is partly attributable to the disparity in housing costs; the average home sales price in Pierce County has been approximately 50 percent less than the average home sales price in King County since 2013. The most recent data available estimates a net flow of 7,600 people from King County to Pierce County in 2018, compared with 2,500, 4,600, and 3,850 in 2017, 2016, and 2015, respectively (U.S. Census County-to-County Migration Flows).

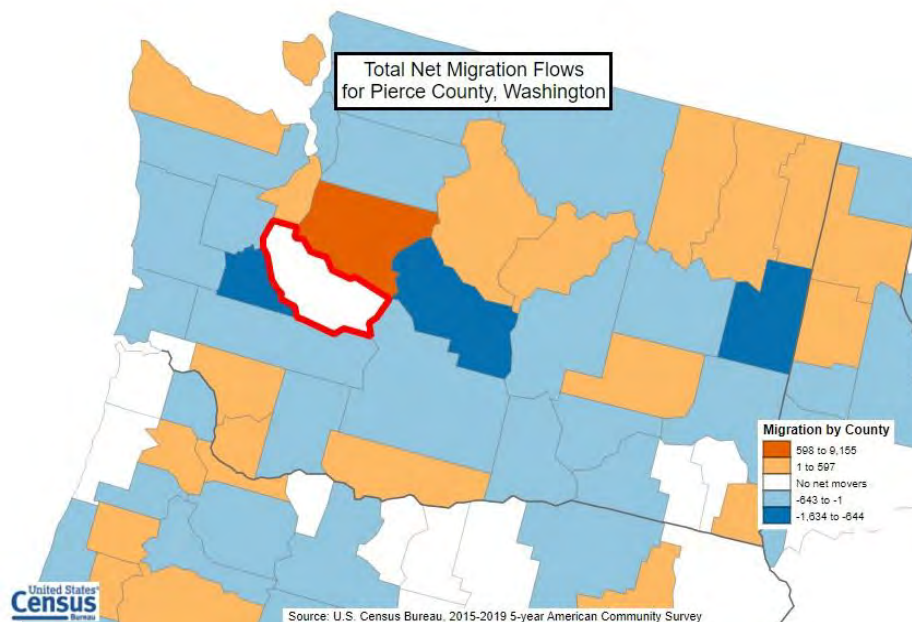
Net migration from King County to Pierce County remains a driver of population increase in Pierce County. While Pierce and King Counties both receive more migrants from each other than any other counties in the state, King County consistently sends about twice as many migrants to Pierce County than vice versa.

<b>Washington Center for Real Estate Research 2021 Q3 Snapshot of Avg. Home Prices</b>	
<b>Pierce</b>	<b>King</b>
\$517,500	\$856,700

<sup>1</sup> Puget Sound Regional Council - Regional Data Profile: <https://www.psrc.org/rdp-population>



Net Migration Flow Between Pierce and King Counties (2015-2019) <sup>2</sup>		
King to Pierce	Pierce to King	Net Migration from King
20,736	11,581	9,155



Part of the symbiotic relationship between the Tacoma-Lakewood Metropolitan Area and King County is illustrated by commuting patterns. The most recent commuting and inflow/outflow data available is from 2019; it is expected to change significantly for 2020-2021 (although any permanent change is yet to be seen) due to increased work-from-home patterns and other effects of the pandemic.

Lakewood Worker Inflow/Outflow as of 2019 <sup>3</sup>		
Commute In to Lakewood	Commute Within Lakewood	Commute Out of Lakewood
23,418	3,444	20,355

Affordable housing *in desirable communities close to living-wage jobs* is paramount for supporting a functional community. However, even though more people commute into Lakewood than out of Lakewood for work, over half of Lakewood residents commute more than 10 miles to work, reinforcing the idea that people are willing to drive to the housing that they can afford.

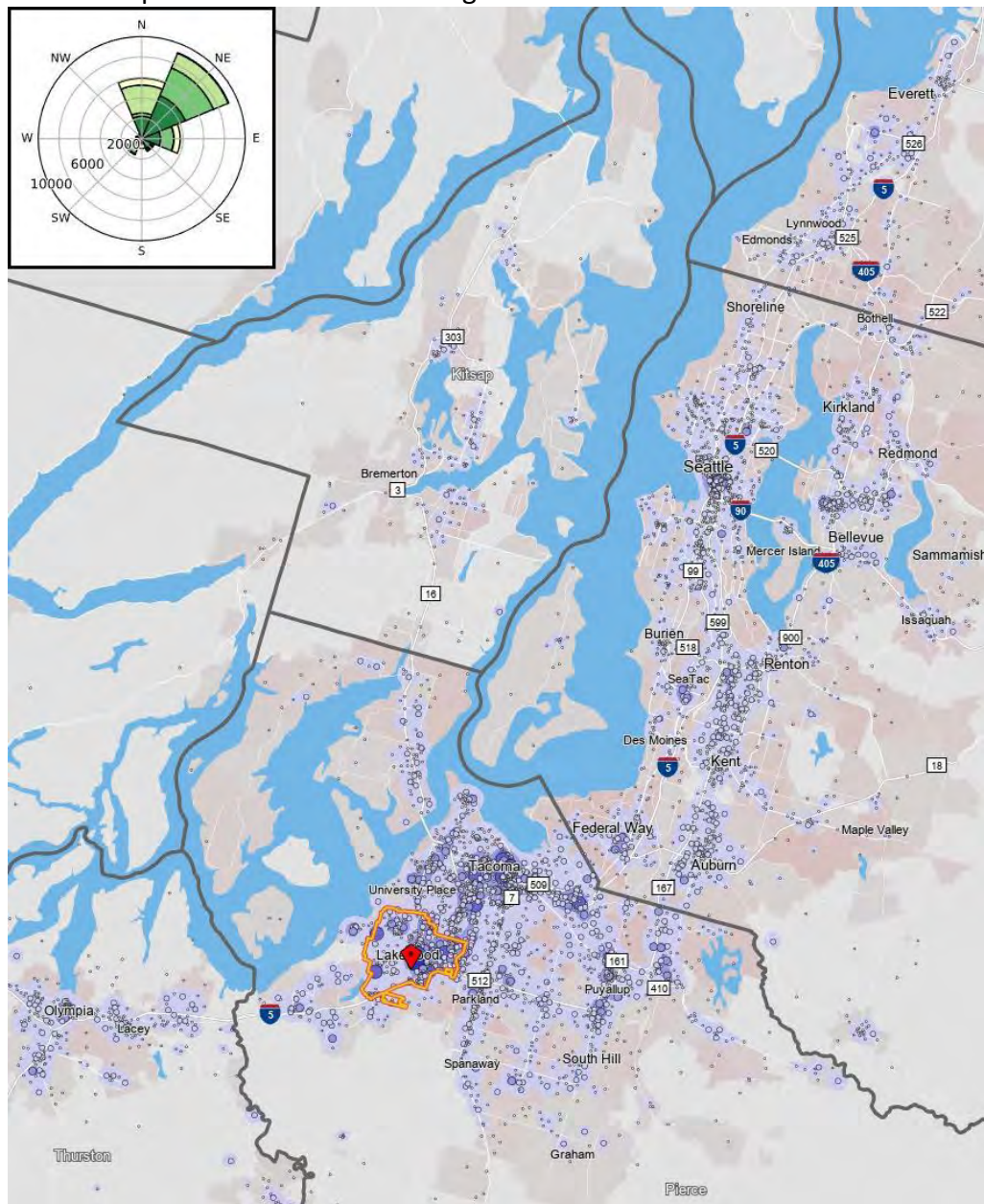
<sup>2</sup> <https://data.census.gov/cedsci/table?q=migration&g=0500000US53053&tid=ACST1Y2019.S0701>

<sup>3</sup> <https://onthemap.ces.census.gov/>



Commute-to-Work Distances of Lakewood Residents <sup>4</sup>			
Less than 10 Miles	10 to 24 Miles	25 to 50 miles	More than 50 Miles
11,413	5,964	4,458	1,964
48.0%	25.1%	18.7%	8.3%

Heat and Radar Map of Lakewood Commuting Patterns<sup>5</sup>



<sup>4</sup> <https://www.census.gov/topics/employment/commuting.html>

<sup>5</sup> <https://onthemap.ces.census.gov/>



# **LAKEWOOD INCOME AND POVERTY CHARACTERISTICS**

The following demographic information regarding Housing in Lakewood, Pierce County and Washington State is available through the US Census Bureau:

	LAKEWOOD, WA	PIERCE COUNTY, WA	WASHINGTON STATE
<b>HOUSING</b>			
HOUSING UNITS, JULY 1, 2019, (V2019)	<a href="#">X</a>	356,273	3,195,004
OWNER-OCCUPIED HOUSING UNIT RATE, 2015-2019	43.4%	62.1%	63.0%
MEDIAN VALUE OF OWNER-OCCUPIED HOUSING UNITS, 2015-2019	\$269,200	\$303,200	\$339,000
MEDIAN SELECTED MONTHLY OWNER COSTS - WITH A MORTGAGE, 2015-2019	\$1,775	\$1,875	\$1,886
MEDIAN SELECTED MONTHLY OWNER COSTS - WITHOUT A MORTGAGE, 2015-2019	\$610	\$626	\$583
MEDIAN GROSS RENT, 2015-2019	\$1,034	\$1,250	\$1,258
BUILDING PERMITS, 2020	<a href="#">X</a>	4,922	43,881
<b>FAMILIES &amp; LIVING ARRANGEMENTS</b>			
HOUSEHOLDS, 2015-2019	24,725	323,296	2,848,396
PERSONS PER HOUSEHOLD, 2015-2019	2.38	2.65	2.55
LIVING IN SAME HOUSE 1 YEAR AGO, PERCENT OF PERSONS AGE 1 YEAR+, 2015-2019	79.8%	82.5%	82.3%
LANGUAGE OTHER THAN ENGLISH SPOKEN AT HOME, PERCENT OF PERSONS AGE 5 YEARS+, 2015-2019	22.0%	14.5%	19.7%
<b>INCOME &amp; POVERTY</b>			
MEDIAN HOUSEHOLD INCOME (IN 2019 DOLLARS), 2015-2019	\$51,972	\$72,113	\$73,775
PER CAPITA INCOME IN PAST 12 MONTHS (IN 2019 DOLLARS), 2015-2019	\$29,467	\$34,618	\$38,915
PERSONS IN POVERTY, PERCENT	16.6%	8.7%	9.5%

Source: <https://www.census.gov/quickfacts/fact/table/lakewoodcitywashington/RHI725219>



## Income

\$29,467

Per capita income

- **About 2/3** of the amount in the Seattle-Tacoma-Bellevue, WA Metro
- **About 3/4** of the WA State amount: \$38,915

\$51,972

Median household income

- **About 3/5** of the amount in the Seattle-Tacoma-Bellevue, WA Metro
- **About 2/3** of the WA State amount: \$73,775

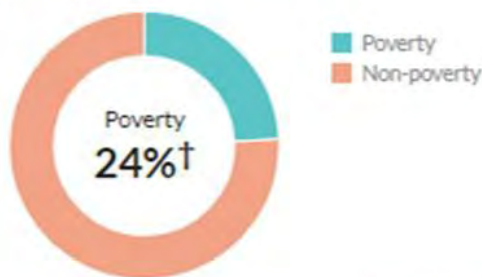
## Poverty

16.6 %

Persons below poverty line

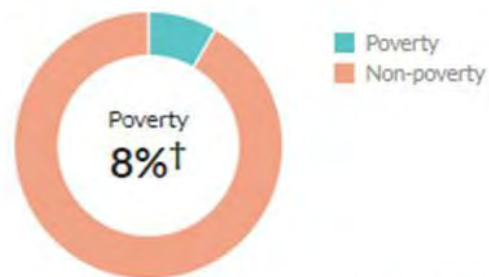
- **Nearly double the** rate in the Seattle-Tacoma-Bellevue Metro areas: 9%
- **About 1.5 times the rate of Washington: 10.8%**

Children (Under 18)



[Show data / Embed](#)

Seniors (65 and over)



[Hide data / Embed](#)

## Lakewood city, Washington

Place in Washington

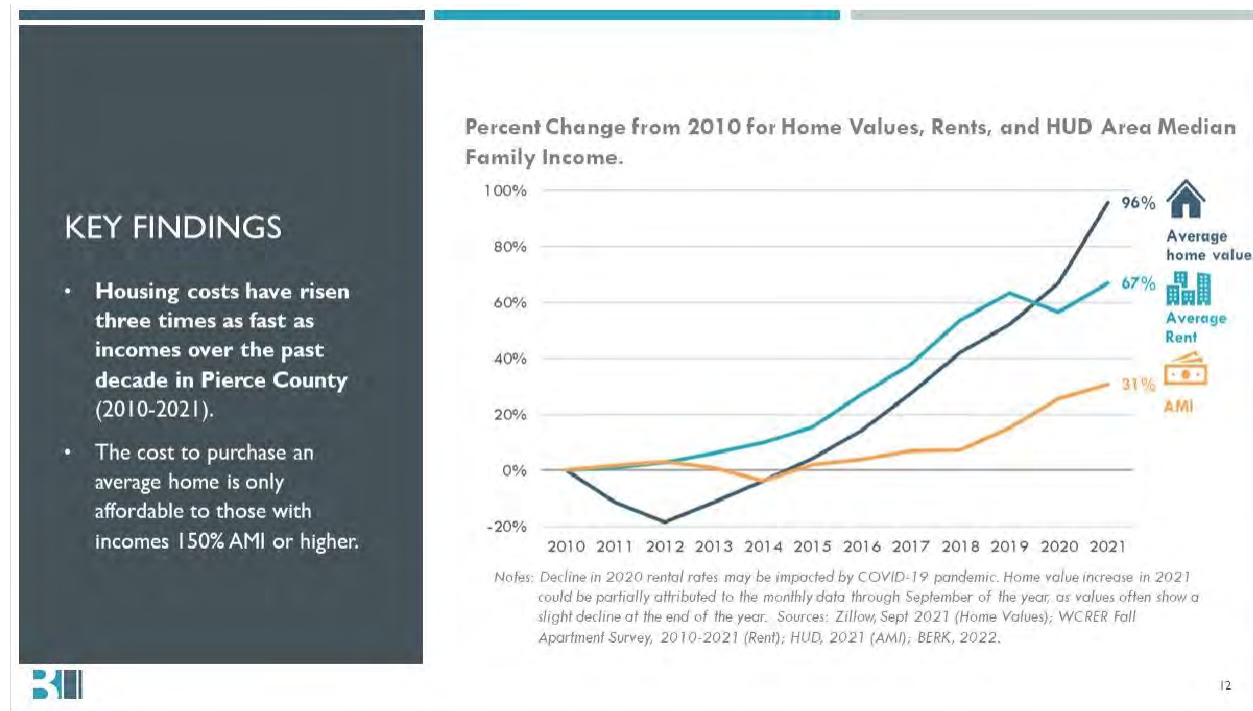


Lakewood city, Washington is a city, town, place equivalent, and township located in Washington. Lakewood city, Washington has a land area of 17.1 square miles.

Total Population	Median Household Income	Bachelor's Degree or Higher	Employment Rate	Total Housing Units	Without Health Care Coverage	Total Households	Hispanic or Latino (of any race)
63,612	\$51,972	22.6%	54.0%	26,999	9.3%	24,725	11,516



In 2021, Pierce County commissioned a countywide Housing Needs Assessment. Initial findings included below demonstrate how housing prices – for both renters and owners – continue to outstrip incomes, and the situation worsens every year.

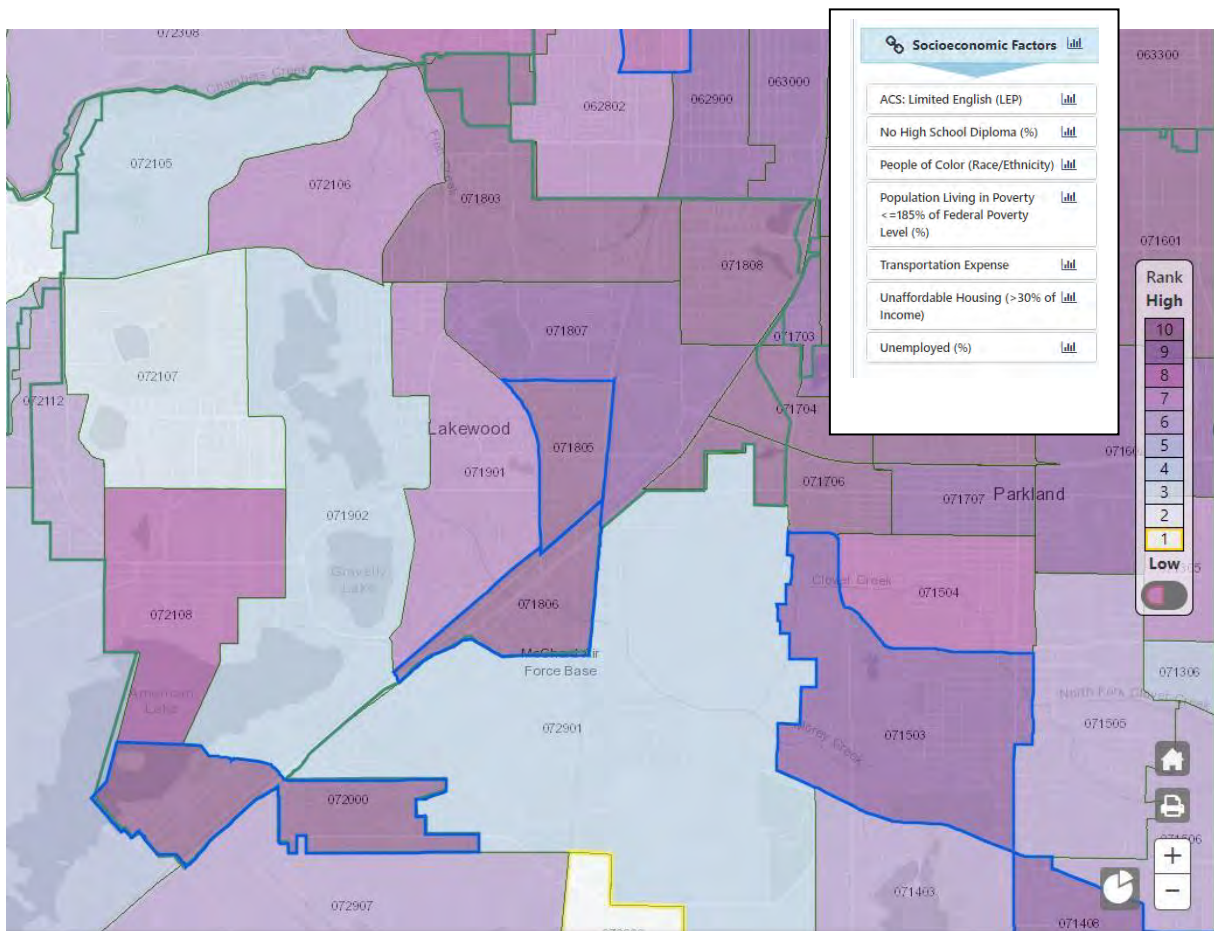


### Environmental Disparities in Lakewood

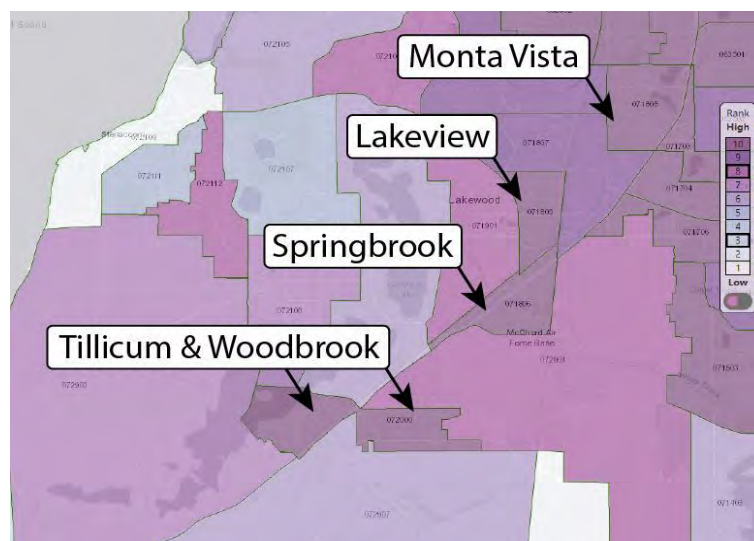
The Washington Environmental Health Disparities Map is an interactive mapping tool that compares communities across our state for environmental health disparities.

(“Environmental” is defined broader than climate/geography/geology in this context.) The map shows pollution measures such as diesel emissions and ozone, as well as proximity to hazardous waste sites. In addition, it displays measures like poverty and cardiovascular disease. Lakewood has areas ranked high for socioeconomic factors, as shown below.



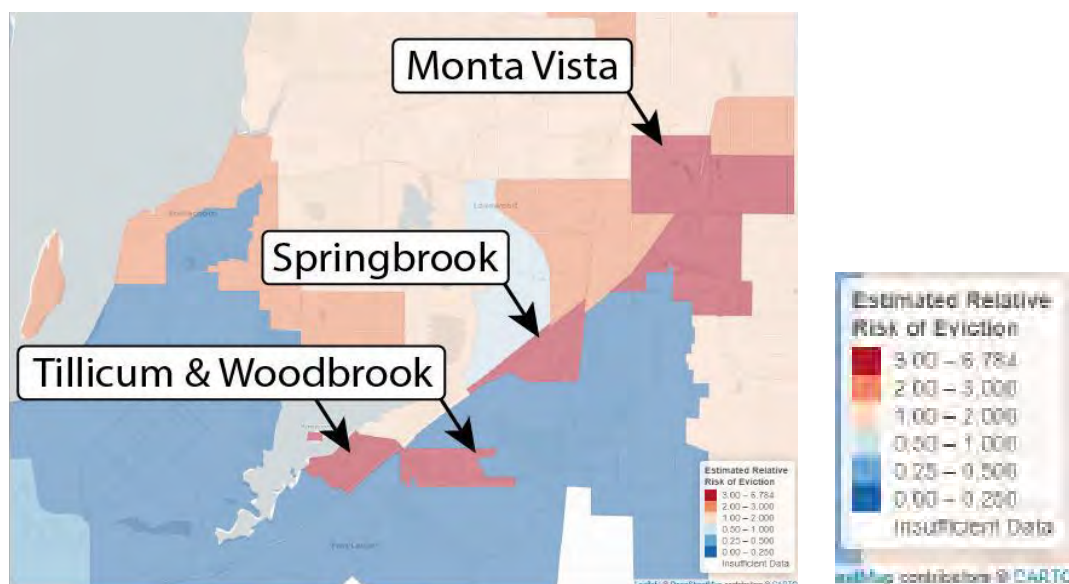
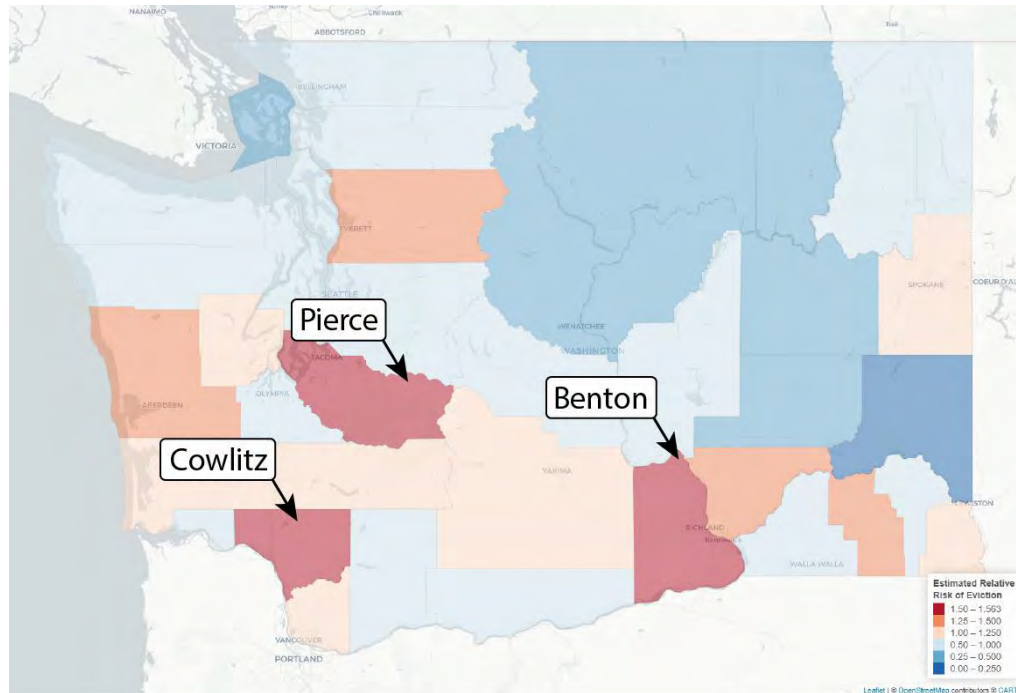


The 4 specific Lakewood census tracts highlighted below have also been designated as “Qualified Census Tracts” under the American Rescue Plan Act, meaning that they are automatically qualified for targeted investment of ARPA funds to help their residents and businesses due to HUD-recognized socioeconomic status.





Lakewood residents also face higher risk of evictions than in most of Washington. The following maps<sup>6</sup> show the relative risk of eviction faced by residents. The first map shows the relative risk of eviction by county; the second shows the relative risk of eviction by Lakewood census tract.



<sup>6</sup> <https://evictions.study/washington/maps/summary.html>



**HOUSING MARKET CONDITIONS:** Lakewood has 56.6% renter-occupied units and 43.4% owner-occupied units. This is opposite the common historical situation in most cities, where there is a higher number of owner-occupied than renter-occupied units.

Owner-Occupied Housing Unit Rate	
Lakewood	43.4%
Tacoma	52.0%
Pierce County	62.1%
King County	56.9%
Washington State	63.0%
National	64.0%

Source: Census.gov

Lakewood has a wide range of apartment rents; however, Lakewood has become increasingly unaffordable for the City's median income. A median income household, based on 30% being used for rent, could afford a maximum of \$1,299.30 per month. Rents averaged \$1,133, \$1,182, \$1,467, and \$1,972 for studios, one-bedroom, two-bedroom, and three-bedroom units respectively.

Housing inaffordability is a significant barrier to quality of life for many people. Anecdotally, since the CEDD provides rental housing assistance to Lakewood residents, staff receive many comments from renters about their rental situation. Families are stressed. Staff members spend a considerable amount of time listening to and consoling people. From a program administration perspective, inasmuch as we can, the CEDD has also attempted to lessen the degree of bureaucracy in the City's assistance programs, whether they be for rental housing or commercial businesses.

According to the National Low Income Housing Coalition's Out of Reach 2021: Washington Report<sup>7</sup>, A worker making minimum wage needs to work almost 60 hours per week for a Zero-Bedroom apartment to become considered affordable. Table X and Table Y provide more detail.

Renter Benchmarks				
	SSI Recipient	30% AMI	Minimum Wage	Mean Renter
Affordable Rent	\$250	\$683	\$883	\$1,245

<sup>7</sup> Out of Reach 2021: Washington: <https://reports.nlihc.org/oor/washington>



Rental Affordability				
	Fair Market Rent	Annual Income Needed	Housing Wage	Hrs/Week @ \$13.69 to afford
Zero Bedroom	\$1,011	\$40,440	\$19.44	57
One Bedroom	\$1,126	\$45,040	\$21.65	63
Two Bedroom	\$1,461	\$58,440	\$28.10	82
Three Bedroom	\$2,091	\$83,640	\$40.21	117
Four Bedroom	\$2,530	\$101,200	\$48.65	142

Q3 2021 Apartment vacancy rates in both King and Pierce Counties decreased since Q3 2020. Due to decreased construction and decreased vacancy, the average price of rent in Lakewood increased 20% between July 2020 and January 2022.

Apartment Summary Statistics <sup>8</sup>				
	Total Units Surveyed	Vacancies	Q3 2020 Vacancy Rate	Q3 2021 Vacancy Rate
Pierce	38,880	1,401	4.5%	3.6%
King	166,285	7,345	5.3%	4.4%

Apartment market conditions in Lakewood continue to be tight, with a 2.7% vacancy rate December 2021. The average asking rent was \$1,495, and average square footage was 804. Year-over-year change in average apartment rent was a 14% increase. The statewide rental vacancy rate is 5.3%; that is 14.5% lower than the national average. The Seattle-Tacoma-Bellevue metropolitan area has a 6.0% rental vacancy rate<sup>9</sup>.

In 2021, 18.9% of households in the Seattle-Tacoma-Bellevue MSA had missed a rent or mortgage payment or had slight or no confidence in paying the next month on time.<sup>10</sup> Rent debt continues to be a major issue facing citizens in the Tacoma-Lakewood Metropolitan Area. 13,855 households were behind on rent as of August, 2021. The average rent debt per household is \$3,100. The total rent debt in the area is \$42,337,000<sup>11</sup>.

The average retail price of housing in Q3 2021 showed a 19.3% increase since Q3 2020 in the Tacoma-Lakewood Metropolitan Area. This is a significant departure from the steady ~9%

<sup>8</sup> <https://wcrer.be.uw.edu/wp-content/uploads/sites/60/2021/11/2021FallApartmentMarketReport.pdf>

<sup>9</sup> <https://ipropertymanagement.com/research/rental-vacancy-rate#washington>

<sup>10</sup> [https://www.census.gov/data-tools/demo/hhp/#/?periodSelector=12&measures=HINSEC\\_1&s\\_state=00053&s\\_metro=42660&areaSelector=msa](https://www.census.gov/data-tools/demo/hhp/#/?periodSelector=12&measures=HINSEC_1&s_state=00053&s_metro=42660&areaSelector=msa)

<sup>11</sup> <https://nationalequityatlas.org/rent-debt>



annual growth in housing prices seen since 2015. Building permits also increased by 24.8% over the same period.

The number of home sales are on the rise as of Q3 2021. Pierce County home sales increased 17.5% since Q3 2020.

Seasonally Adjusted Annual Rate of Home Sales Q3 2021, by County			
	SAAR (Q3 2020)	SAAR (Q3 2021)	% Change
<b>Pierce</b>	14,550	17,100	<b>+17.5%</b>
<b>King</b>	26,320	32,800	<b>+24.6%</b>

Home Sales (Not Seasonally Adjusted)			
	Year ending Q3 2020	Year ending Q3 2021	% Change
<b>Pierce</b>	13,561	15,880	<b>+17.1%</b>
<b>King</b>	24,034	29,970	<b>+24.7%</b>

Source: <https://wcrer.be.uw.edu/wp-content/uploads/sites/60/2021/11/2021Q3WSHMR.pdf>

Housing demand in Lakewood remains strong: 48.8% of homes sold above list price in the past year. According to Redfin<sup>12</sup>, the average home in Lakewood sells in 10 days and sells for about 1% above list price. Lakewood is considered a very competitive market for home sales compared with other areas of the country.

The current median price of a home in the Seattle-Tacoma-Bellevue area is \$708,400 as of Q3 2021. The median price of a home in the Tacoma-Lakewood metropolitan area is \$475,000. The National average median price of a home is \$356,133.

Median Home Price as of Q3 2021 <sup>13</sup>		
Tacoma-Lakewood Area	Seattle-Tacoma-Bellevue	National Average
\$475,000	\$708,400	\$356,133

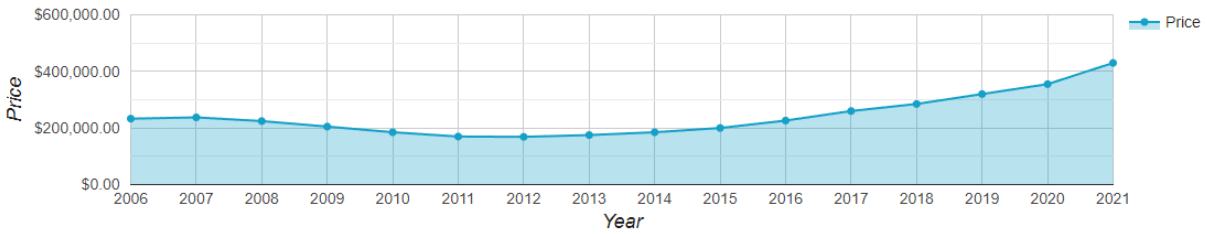
The typical home value of single family homes in Lakewood is \$476,281. This value is seasonally adjusted and only includes the middle price tier of homes. Lakewood home values have gone up 22.3% over the past year.

<sup>12</sup> <https://www.redfin.com/us-housing-market>

<sup>13</sup> <https://www.geodataplus.com/property-data/washington>

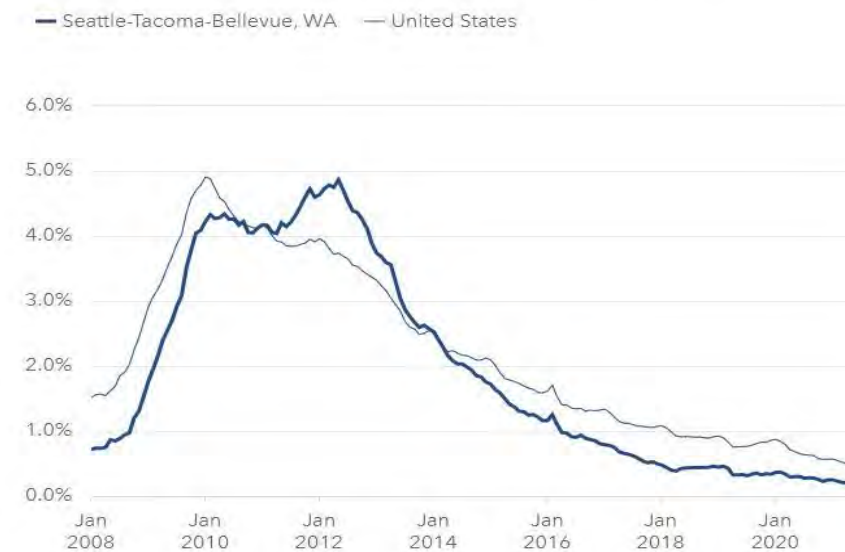


Median Sale Price of a Single Family Home in LAKEWOOD WA



Mortgage delinquency in the Seattle-Tacoma-Bellevue area continues to decrease. As of June 2021, less than 1% of mortgages are 30-89 days delinquent. The rate of mortgage delinquency in the area has been steadily declining since its peak during the recession from 2008-2012.<sup>14</sup>

Percentage of mortgages 90 or more days delinquent:  
**Seattle-Tacoma-Bellevue, WA** versus **national average**,  
January 2008-June 2021



Source: National Mortgage Database  
Date published: December 2021

Current multifamily unit owners have continued to struggle due to lack of payments by renters and the COVID rent moratorium; consequently, there has been an uptick in multifamily property sales.

South Sound Military & Communities Partnership (SSMCP) Housing Study: The 2010 Joint Base Lewis-McChord (JBLM) Growth Coordination Plan identified a need to improve off-installation housing options (also called off-base) for active duty service members in communities

<sup>14</sup> <https://www.consumerfinance.gov/data-research/mortgage-performance-trends/mortgages-30-89-days-delinquent/>



neighboring JBLM. The SSMCP received a grant from the U.S. Department of Defense’s Office of Economic Adjustment for commissioning the 2020 Off-Base Housing Study<sup>15</sup>.

The results of this 2020 Study are consistent with local and national news reports and the common experience of locating housing by the local military community. A shortage of for-sale housing and historically low rental vacancy rates has resulted in fast-rising housing costs. What is unique, however, in Lakewood is the recognition or emphasis on the need for a specific type of housing – military – that is often overlooked.

Prior federal legislation has emphasized funding opportunities and assistance programs related to the development of “affordable housing” (as defined by Department of Housing and Urban Development (HUD)) to address the needs of individuals and families living at poverty levels. However, the key challenge faced by military service members is finding available and affordable housing within a 30-minute drive given the structural supply limitations. Most of the housing developed by local single-family housing developers is priced above what is affordable for E1 to E5 service members. There is a segment of lower cost, market rate housing products that are needed and missing for the E1 to E5 service members.

The Off Base Housing Study also finds that there remains a structural deficit of housing within the Pierce and Thurston County regions. The national ratio of housing units to households is 1.14; the Puget Sound region has a ratio of 1.06. Thus, there is an existing deficit of 8,585 units of housing available with this region to satisfy existing households today. In short, this means fewer housing options are available for all households in the market area.

Lakewood Rent Ranges: January 2022 data from RentCafe.com shows rent ranges in the City:

#### Lakewood, WA Apartment Rent Ranges



Using the [Rent Café](#) website, the table below compares Lakewood’s average rent to the national average over time. The City has also collected information on rents within Lakewood and the region.

<sup>15</sup> <https://cityoflakewood.us/wp-content/uploads/2020/11/20200902.JBLMOffInstallationHousingStudy.Compressed.pdf>



Lakewood Rent Trends						
	Nov 2018	Mar 2019	Jul 2019	Nov 2019	Jul 2020	Jan 2022
<b>Lakewood</b>	\$1,143	\$1,150	\$1,167	\$1,207	\$1,245	<b>\$1,495</b>
<b>National</b>	\$1,428	\$1,432	\$1,468	\$1,475	\$1,464	\$1,463

Lakewood has a lower average price of rent than most of the jurisdictions chosen for comparison. Even though Lakewood remains one of the cheapest options in the region, it has experienced the largest growth in rent prices over the past year.

Apartment Rents by Nearby Community			
Location	Average Rent	Y-o-Y Change	Average Size (sq ft)
Seattle	\$2,197	+13.6%	692
Puyallup	\$1,805	+11.7%	951
Federal Way	\$1,729	+12.7%	882
Auburn	\$1,699	+9.9%	778
Fife	\$1,603	+10%	854
Tacoma	\$1,576	+10.7%	833
Lacey	\$1,551	+13.7%	845
Parkland	\$1,516	+12.7%	911
<b>Lakewood</b>	<b>\$1,495</b>	<b>+14.0%</b>	<b>804</b>
Spanaway	\$1,395	+10.0%	684
Pierce County	Data not available at the county-wide level		

According to the Puget Sound Regional Council's 2021 Regional Housing Needs Assessment<sup>16</sup>, housing production for the period 2010-2020 lagged behind growth targets by 40,000-50,000 housing units. This accounts for approximately two years of housing production. Increasing population and stagnating home construction is significantly impacting both home and rent prices in the region.

Rent Prices - Market Summary - Lakewood			
No. of Bedrooms	Median Rent	Year-Over-Year Change	Apartments for rent (Jan. '22)
Studio	\$995	-20%	2

<sup>16</sup> <https://www.psrc.org/sites/default/files/rhna.pdf>



1 bedroom	\$1,295	8 %	35
2 bedroom	\$1,573	10%	37
3 bedroom	\$1,970	7%	9
4-bedroom	\$2,790	30%	4

Source: <https://www.zumper.com/rent-research/lakewood-wa>

**HOUSING PRODUCTION:** The COVID-19 pandemic has affected the production of housing in many regions, which will likely further exacerbate housing availability issues. Apartment construction cooled off in 2021. Increased pressure on rental unit inventory from migration and JBLM's housing needs contributed to an increase in average rent prices in Lakewood.

However, the City continues to incentivize new construction. There is recent considerable interest in multifamily construction, particularly in the newly adopted Lakewood Station District Subarea, including both affordable and market rate units. 114 total multifamily units were applied for in 2021, with anticipated construction in 2022. According to the Fannie Mae Multifamily Economics and Strategic Research group, multifamily unit demand is increasing quickly, vacancy rates will continue to decline and then stabilize as new completions come online, and rent growth will remain positive in all classes.

Over the past five years, total new residential construction activity in Lakewood has remained relatively low. Demand for new single family construction is high, but the amount of available land remains limited. Deficient infrastructure, notably water and sewer, may currently prevent missing middle residential development in some parts of the City.

Historically, new multifamily development activity rises and falls. The share of entry-level homes has declined, yet demand has more than outstripped the declining new supply that is being generated by the market. The number of adult family home permit requests has remained high. The number of residential additions has dropped. Accessory dwellings (ADUs) remain low, but could increase with recent changes in development codes.

As a percentage, ADUs remain a very small part of the overall housing stock. ADUs can enhance affordability for renters, and can help some lower-income homeowners to rent a place to pay their mortgage and stay in place. ADUs are sometimes referred to as adding "gentle density."

Residential Construction Activity, 2017 Through 2021 – City of Lakewood (Permits Issued)						
Source: Lakewood Permit Data						
Permit Type	2017	2018	2019	2020	2021	Line Total
Adult family home permits	11	22	9	21	18	81 <sup>17</sup>
Manufactured unit inside park	4	5	5	0	5	18
Manufactured unit on lot	0	0	2	2	0	4

<sup>17</sup> 81 adult family homes represents about 486 persons (81 x 6).



<b>Residential Construction Activity, 2017 Through 2021 – City of Lakewood (Permits Issued)</b>						
Source: Lakewood Permit Data						
<b>Permit Type</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Line Total</b>
New multifamily units	11	238	10	108 <sup>18</sup>	8	267
New single family	48	67	28	57	64	264
Accessory dwelling units	1	6	5	2	6	20
Subtotal new units	64	316	49	61	83	573
Units demolished	-24	-41	-31	-48	-50	-194
<b>Total net units</b>	<b>40</b>	<b>275</b>	<b>18</b>	<b>13</b>	<b>33</b>	<b>279</b>
Single family residential additions	43	35	42	48	28 <sup>19</sup>	196

The two recently adopted Lakewood subarea plans focus future housing growth in the Downtown (a designated Regional Growth Center) and the Lakewood Station District. The subareas are zoned, incentivized and regulated to see up to 1300 housing units built by 2044.

The table below demonstrates 2021 platting activity in Lakewood.

<b>2021 Platting Activity</b>		
<b>Type</b>	<b>No.</b>	<b>No. of Lots</b>
Short plats, applications pending	4	9

<sup>18</sup> Washington Boulevard Apartment (48-units) under construction; Lake Grove Apartments (60-units), construction complete.

<sup>19</sup> Assumes the drop in permits contributed to new energy conservation requirements.



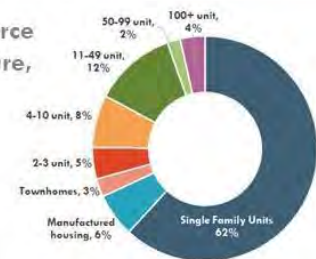
2021 Platting Activity		
Type	No.	No. of Lots
Short plats approved, but not finalized	7	23
Short plats finalized	6	15
Short plats denied	2	4
Preliminary plats, applications pending	0	0
Preliminary plats approved, but not finalized	2	35
Preliminary plats finalized	1	20
Preliminary plats denied	0	0
Plat Alteration approved, but not finalized	1	8
Plat Alteration Pending	1	2
<b>Total</b>	<b>24</b>	<b>116</b>

In 2021, Pierce County commissioned a countywide (i.e., considering both city and unincorporated county data) housing needs assessment. Phase 1 of this project has been completed, showing the following regarding the production of various housing types:

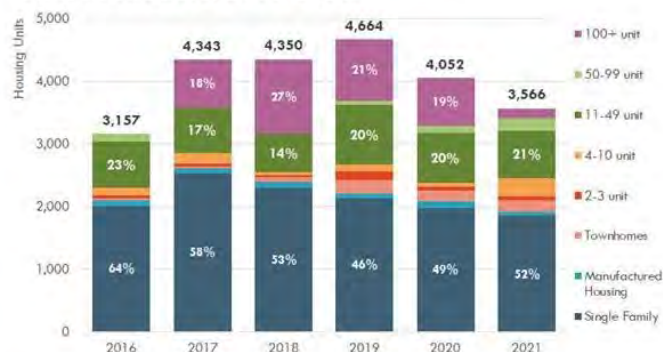
## KEY FINDINGS

- The housing supply is primarily single-family homes or larger multifamily buildings.
- There is a shortage of “missing middle” housing such as townhomes and multiplexes.
- Missing middle housing types are a small but growing share of recent housing production.

Total Housing Units in Pierce County by Units in Structure, 2021.



Pierce County Housing Unit Production by Units in Structure, 2016-2021.



Sources: Pierce County Assessor, 2021; BERK, 2022.



## **HOUSING ASSISTANCE PROGRAMS AND PARTNERSHIPS**

Living Access Support Alliance (LASA) Expansion: LASA is a local nonprofit that provides emergency housing, rapid rehousing and transitional housing in Lakewood, in addition to case management and a range of other services to prevent homelessness. The City is working with LASA to expand their facility, which opened in 2015.

Demand for LASA's services surpasses their current capacity and is only expected to intensify due to the continuation of the COVID-19 pandemic. The City has provided funding to LASA as part of its 1% general fund allocation to human services and funding totaling \$1.0 million for capital facility development. In addition, the City has provided LASA a total of \$426,390 to date to help local residents in need with rental-housing and utility assistance during the COVID- 19 pandemic.

The City is working with LASA to acquire additional property to expand their existing facilities as well as helping LASA develop a long range social services plan to help meet community needs. This budget proposal [commits \$150,000 in 2020 and up to \$300,000 in 2021/2022 for a total of \$450,000 to help LASA expand. The City has received \$500,000 from the state capital budget for LASA to accelerate its facility expansion and provide more needed services in Lakewood.

In January 2022, the City executed an agreement with LASA to use CDBG-CV2 funds (\$129,871.00) to expand LASA's Services Center to rehabilitate the existing facility to include new and improved access to laundry facilities, bathroom facilities, and general hygiene support to homeless persons. Work is to be completed no later than June 30, 2023.

Habitat for Humanity Partnership: The City continues to partner with Habitat for Humanity to build low-income housing in Lakewood; assistance includes financial support from the City's Community Development Block Grant (CDBG) and HOME Investment Partnerships Program funds. Between 2001 and 2021, Habitat for Humanity has constructed 43 new homes for low income families in the Tillicum neighborhood. The 2022/23 adopted budget includes allocating \$715,000 of HOME funds in the form of a development subsidy to provide down payment assistance to nine (9) low-income homebuyers to construct an additional 9 new homes (four (4) duplexes and a single-family home) dedicated for low- income families. This will bring the total to 52 new homes for low-income families.

In addition, the City Council has sponsored zoning code amendments to increase residential densities on behalf of Habitat for Humanity.

"New partnerships" with Habitat for Humanity & Rebuilding Together South Sound: Lakewood has CDBG housing rehab projects in process, but cannot find contractors to perform the work. The City has reached out to these two non-profits for assistance. For the time being, the City will use these agencies to complete residential rehabs.



CDBG and HOME Programs: The City is part of the Tacoma-Lakewood-Pierce County Continuum of Care (TLP CoC) to qualify for Federal and Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) dollars. Both are federal assistance programs provided by the U.S. Department of Housing and Urban Development (HUD). HOME provides funds in support of affordable housing, particularly housing for low- and very low-income individuals. HOME funds have been used by Habitat for Humanity to construct low income housing units in the Tillicum neighborhood.

In recent years, CDBG and HOME funding allocations to Lakewood were decreasing annually. The City received CDBG funding totaling \$913,000 in 2000 and \$455,000 in 2017, a decrease of over 50% (and that does not take into account the relative value of money).

However, in 2014, the Lakewood City Council made it a federal priority to restore CDBG funding. This advocacy resulted in Congress restoring CDBG funding to 2008 levels and increased annual CDBG funds by about \$150,000 to almost \$600,000 and HOME Funds to over \$331,000 in 2020.

The City has been a CDBG entitlement City since 2000. The following table outlines Lakewood CDBG investments from 2000 through 2019. During that time, the City has invested approximately \$4.6 million to construct road improvements, add sidewalks and install street lights in a large number of low-income neighborhoods throughout Lakewood. These improvements, particularly street lights, has resulted in much safer neighborhoods. The City has also invested almost \$5.3 million in support of affordable and low-income housing such as home repairs, emergency assistance to help displaced individuals find housing, and down payment assistance.

Year	CDBG Expenditures by Investment Program					
	Infrastructure	Housing	Public Service	Economic Development	Administration	Section 108 Loan Repayment
2000	\$ 537,860	\$ 102,275	\$ 34,031	\$ -	\$ 103,618	\$ -
2001	250,287	126,612	60,023	-	153,429	-
2002	451,438	357,310	78,146	-	144,069	-
2003	399,609	350,529	76,295	-	161,200	-
2004	294,974	407,592	80,490	-	136,553	-
2005	86,156	359,033	68,336	-	130,880	-
2006	164,000	486,607	70,645	-	99,092	-
2007	-	427,346	66,380	-	96,940	-
2008	9,872	412,527	66,818	-	108,066	-
2009	20,000	433,021	64,920	-	127,986	-
2010	522,544	133,537	84,394	31,948	131,686	-
2011	185,482	268,585	86,188	-	123,854	-
2012	-	280,855	34,701	-	100,871	-
2013	284,852	301,829	3,545	13,230	98,881	-
2014	160,000	188,139	48,066	-	108,854	-
2015	320,000	85,806	-	-	98,363	-
2016	321,938	164,352	-	-	106,968	-



2017	266,003	89,040	-	-	96,106	49,311
2018	300,000	210,376	-	-	102,580	49,813
2019	-	73,386	-	-	33,292	384
<b>Total</b>	<b>\$ 4,575,014</b>	<b>\$ 5,258,755</b>	<b>\$ 922,978</b>	<b>\$ 45,178</b>	<b>\$ 2,263,288</b>	<b>\$ 99,508</b>

In June 2020, the Lakewood City Council adopted the 2020-2025 5-Year Consolidated Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) Programs. The policy direction for the investment of these funds has focused on:

- Assisting low and moderate income homeowners maintain their homes through the City's Major
- Home Repair Program (195 residences);
- Providing down payment assistance loans (69 residences);
- Loans for Public Works Trust fund projects (21);
- Providing emergency and permanent housing assistance for low income families displaced through no fault of their own;
- Providing assistance to low income households to help them afford the housing costs of market-rate units through a newly created Tenant-Based Rental Assistance (TBRA) program; and
- Funds to support the acquisition, construction and/or rehabilitation of affordable housing for low-income rentals and/or to facilitate new homeownership opportunities to include a down payment assistance program (e.g., Habitat for Humanity).

#### CDBG 2021 update:

##### Cares Act CDBG CV3 Mortgage and Rental Assistance Program

- To date, the City has received 165 applications.
- To-date, Lakewood has paid \$463,347.19 to 119 qualified applicants. Of the remaining 46 applications, 5 applications are approved and in process, 26 did not qualify for the program (non-COVID-related reason for applying or over AMI), and 15 did not respond to request for additional information /clarification. The breakdown is as follows:
  - Rental assistance: 115 applicants awarded a total of \$447,347.19. Have three additional applications currently in process.
  - Mortgage assistance: 4 applicants awarded a total of \$16,000. Have two additional applicants currently in process.

##### HOME TBRA Rental Assistance Program

- The HOME TBRA program offered in 2020 paid \$108,038.42 in rental assistance to a total of 47 rental applicants. Mortgage assistance was not part of the program.



American Rescue Plan Act (ARPA): In 2021, Lakewood was awarded \$13.76M in ARPA funds. The City Council established policies for how the funds would be used and then has taken action to approve expenditures in several rounds. As of December 31, 2021, the Council had approved a total of \$7,166,582 in ARPA allocations, some of which is for housing needs.

ARPA - LIHI, Aspen Court: The City Council approved a partnership with Tacoma and Pierce County to jointly purchase a hotel for conversion first into an enhanced shelter for two years and then into permanent supportive housing units. Lakewood contributed \$1M toward acquisition of the hotel that was reopened as Aspen Court in December 2021; the City has 12 double occupancy rooms reserved for Lakewood clients that can accommodate up to 24 individuals. The LPD Behavioral Health Contact Team is the referring agency for people needing to access Aspen Court, and as of January 26, 2022, the BHCT had placed people in 10 of the 12 available rooms at the facility.

Aspen Court will operate as an enhanced shelter through 2023 and then be converted into permanent supportive housing; when that occurs, Lakewood will not have access to Aspen Court any more.

ARPA - Rebuilding Together South Sound, Rebuilding Healthy Neighborhoods: In part, the agency is proposing to make repairs to homes for low-income families. Total amount of award is \$341,250. Some of these funds would go to housing repair, but other funds would be used for community “inreach” programs. The exact number of repair projects, and locations have not been determined. City will be seeking additional information.

ARPA - Habitat for Humanity, New Home Construction: Habitat has obtained a \$242,000 ARPA grant from the City to fund utility expansion and road construction for nine (9) residences in the Tillicum community. Work would start in 2022 and continue throughout 2023.

“Pre-COVID” Tenant-Based Rental Assistance (TBRA) program: In the fall of 2020, the City introduced a HOME rental assistance program to help tenants with rents. For a period of about three-months, the City paid out \$108,038.42 to 47-rental housing applicants. The program was suspended when the City began receiving CDBG-COVID I & CDBG-COVID II funds; these fund accounts significantly expanded assistance programs.

COVID-related Mortgage and Rental Assistance Programs: Because of the COVID pandemic, the City has offered offer rental and mortgage programs. The City may pay up to \$4,000 to assist past-due rent for eligible renters. The City may help eligible homeowners with past-due on mortgage payments. Even if mortgagees have a forbearance plan, the City can still help pay past-due mortgage payments of up to \$4,000. These current programs are set to expire when funds run out or are reprogrammed.

115 applicants have been awarded a total of \$447,347.19 in rental assistance, and as of January 20, 2022, there are three (3) applications in process. Four (4) applicants have been awarded a



total of \$16,000 in mortgage assistance, and as of January 20, 2022, two (2) applications are in process. In addition to the City's Mortgage and Rental Assistance Programs, Lakewood citizens were also eligible for rental assistance through Pierce County Human Services.

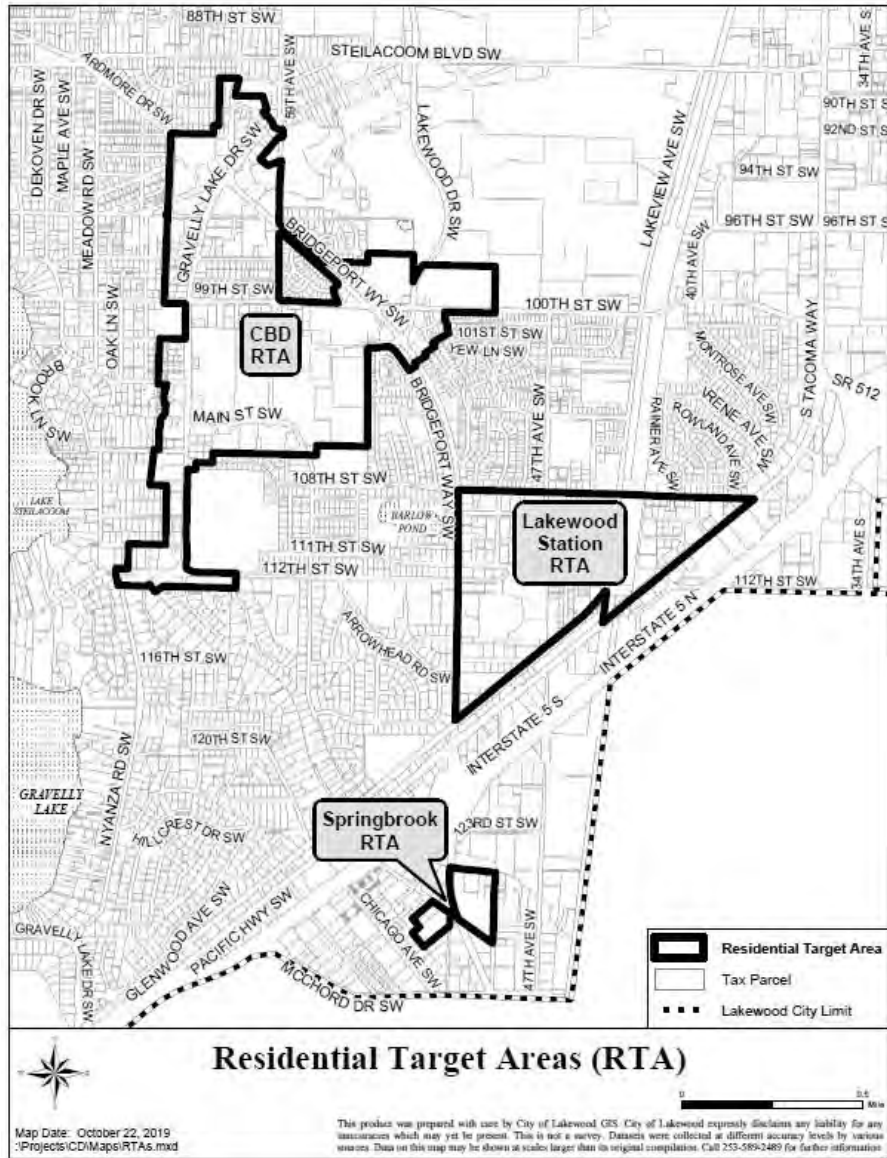
**Affordable Housing Sales Tax Credit Program:** In March 2020, the Lakewood City Council adopted an ordinance authorizing a sales and use tax credit for affordable and supportive housing in accordance with SHB 1406 (codified as RCW 82.14.540) that was approved by the State Legislature in 2019. Beginning in 2020, the City started receiving an estimated \$97,571 per year for 20-years, totaling a projected estimated \$1,951,417. The City Council directed that the funds be used in conjunction with the City's CDBG Major Home Repair Program, CDBG Major Home Repair and Sewer Loan Program, and HOME Housing Rehabilitation Loan Program given that there is a high demand for home repair and rehabilitation loans in the City. These funds are applied to individuals who do not meet the financial criteria established under the CDBG/HUD programs, but whose residential units are still in need of repair.

**Multifamily Tax Exemption Program (MFTE):** The MFTE program allows for qualifying multifamily housing projects to be exempt from property tax on the value of housing improvements for a period of eight (8) or twelve (12) years (if at least 20% of the units are low income.) A project must have a minimum of four (4) units to be considered. The purpose of the MFTE is to remove substandard housing and to revitalize older neighborhoods thereby improving quality of life. Development contributions to infrastructure help to offset the reduction in revenue from the tax exemption with new sales tax and business revenue. The MFTE is allowed only within City Council-designated Residential Target Areas (RTAs).

There are specific requirements for MFTE projects:

- located within an RTA (see map below);
- includes at least four units of multi-family housing within a residential structure or as part of a mixed use development;
- at least 50 percent of the space designated for multifamily housing must be provided for permanent residential occupancy;
- must be scheduled to be completed within three years from the date of approval of the application; and
- must be designed to comply with the City's comprehensive plan, building, housing, and zoning codes, and any other applicable regulations in effect at the time the application is approved.





The table below shows the number of MFTE projects built since program inception.

Project Name	Applicant	Site Address	RTA	Term (Years)	Units
Oak Grove Village	Joseph E. Mayer/Lincoln Property Company (Lakewood Project LLC)	4724 Steilacoom Boulevard SW	CBD	10	254
Gravelly Lake Townhomes	Gravelly Lake Townhomes, LLC	8911 & 8919 Gravelly Lake Drive SW	CBD	10	28
Rainier Terrace	Rainier Terrace LLC/Michael Robinson	4108 and 4110 108th Street SW	LSDS	8	11
Springbrook Apartments	Springbrook SPE LLC	12632 Bridgeport Way SW	SPR	8	219



Project Name	Applicant	Site Address	RTA	Term (Years)	Units
Townview Apartments	Two Ironmen, LLC	5915, 5909 & 5903 Lake Grove Street SW	CBD	8	30
Lakeview Chapel	Lakeview Chapel, LLC	4606 108th Street SW	LSDS	12	50
112 <sup>th</sup> Street Townhouses	One-12 Fund, LLC	4812 112th Street SW	LSDS	8	15
					607

In 2021, the State Legislature amended the enabling MFTE program legislation and made some significant changes. This year, the Lakewood City Council will review the enabling legislations and follow-up with local amendments.

**Rental Housing Safety Program (RHSP):** On August 1, 2016 the Lakewood City Council approved Ordinance No. 644 creating a RHSP. The program requires all residential rental properties (apartments, single family homes, duplexes, etc.) within Lakewood city limits to be registered. The program is designed to ensure that all rental housing units comply with minimum life & safety standards and are providing a safe place for tenants to live. As of November 30, 2017, all rental properties owners will be required to register their property with the City every year and have the property inspected once every five years.

The RHSP aims to reduce, and eventually eliminate all substandard rental housing in the City. By addressing housing conditions proactively through the RHSP and quickly identifying and addressing substandard conditions and code violations, this program is preserving Lakewood's existing housing stock versus the gentrification that is occurring elsewhere in the Puget Sound region. Lakewood has more rental housing units than similarly-sized suburban cities. However, much of the rental housing stock is at an age that requires life cycle investments. The RHSP has identified that there are many rental units (not all) that are in need of maintenance.

The list of registered properties and units in the following table is based on data as of December, 2021. The number of registered units and inspections are lower in 2020 and 2021 as a result of COVID-19 protocols and the limitation on property inspections. The number of registered properties will increase once the pandemic is behind us.

Registered RHSP Properties				
	2018	2019	2020	2021
SFR & Duplex Properties Registered	1,776	1,441	1,325	1,410
Multifamily Properties Registered	443	432	440	408
<b>Sub-Total</b>	<b>2,219</b>	<b>1,873</b>	<b>1,765</b>	<b>1,818</b>



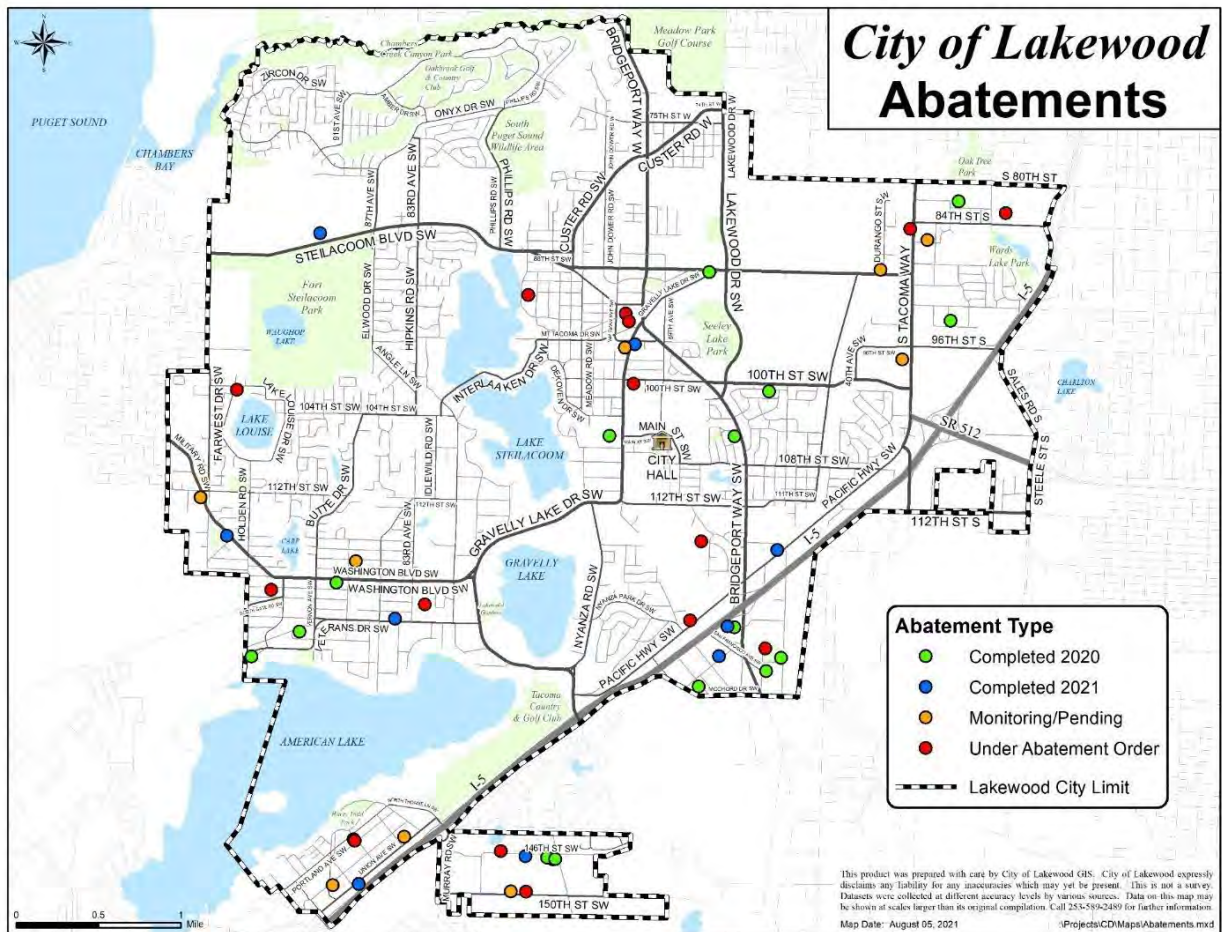
<b>Rental Housing Safety Program (RHSP)</b>				
<b>Description</b>	<b>Oct 2017 to Dec 2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Rental properties				
Registered properties	2,218	2,219	1,647	1,765
Initially failed properties	435	423	76	222
Failure percentage	20%	19%	5%	13%
Rental apartment units				
Registered units	11,322	11,328	9,333	10,487
Initially failed units	1,361	1,009	191	360
Failure percentage	12%	9%	2%	3%

Two RHSP-related actions are taking place in 2022: the launch of updated RHSP software and proactive enforcement. Since the program's inception, there is a handful of property owners that have refused to register. To get their attention, the City is now issuing civil infractions.

**Dangerous & Nuisance Abatement Programs:** Lakewood uses its International Construction Codes (ICCs) - building and construction and property maintenance - to address structures that have fallen into a significant state of disrepair and are therefore deemed to be a public safety hazard. Pursuant to state law, property owners are provided notice to make repairs and/or demolish unsafe structures. If they fail to do so, the City proceeds to Pierce County Superior Court and obtains a warrant for abatement. This action allows the City to enter onto private property and perform work the property owner failed to do. The order also permits the City to levy a special assessment with interest on the costs the City incurred to perform the work. Abatement actions generally cause the property to enter into bankruptcy and foreclosure. This process, while it can take up to three years, frees up land for redevelopment. New units are constructed with subsequent, often dramatic improvements to a neighborhood.

Abatement costs can vary from year-to-year based on the level of activity. Generally, the City performs 25 to 30 abatements and about five (5) to seven (7) nuisances annually. However, the number of active abatements/nuisances have been down over the past couple of years because we have chosen to focus on large projects, in addition to judicial impacts related to COVID. Over the last two years getting into superior court to obtain warrants has been slow. The map below shows abatement actions for 2020 and 2021.





There are several major abatements currently underway. These include the previous QFC site, 9314 to 9316 Bridgeport Way; Karwan Village Mobile Home Park, 2621 84<sup>th</sup> Street SW; and the Mayberry property, 9616 Gravelly Lake Drive SW.

**Affordable Housing Initiative (2060) and Homeless Housing Act (2163) Programs:** The City works collaboratively with Pierce County to allocate State 2060 and 2163 funds, which support affordable housing and homelessness programs.

The 2060 program was created by the State Legislature in 2002 via SHB 2060 (codified as RCW 36.22.178) an Affordable Housing Initiative that requires the Pierce County Auditor to collect a surcharge on certain recorded documents countywide, including within Lakewood. The funds generated from the document recording fee provide affordable housing opportunities for Pierce County's very low-income (50% of median per HUD) households in a manner that is consistent with the RCW, and countywide affordable housing needs and policies. In 2018, state legislation increased the document recording surcharge from \$10 to \$13. The annual budget totals approximately \$3.0 million.



The 2163 program was created by the State Legislature in 2005, the Homeless Housing Act via SHB 2163 (codified as RCW 36.22.179). The program is also funded with a surcharge on certain recorded documents countywide to include Lakewood, again collected by the Pierce County Auditor. The surcharge revenue must be used for planning, housing, and supportive services related to homelessness. In 2018, the State Legislature passed HB 1570, which increased the surcharge from \$40 to \$62 and made the surcharge permanent.

Both programs are administered through interlocal agreements (ILA) between Pierce County and its cities and towns, including Lakewood. These funds, which are collected countywide, are distributed by an oversight committee composed of members from Tacoma and Lakewood, Pierce County and other city and town representatives.

Current rules require that 50% of the funds, which totaled a combined \$10.8 million in 2020, be issued directly to Pierce County; the remaining 50% goes to urban areas. Historically, the majority of funds have been distributed each year to the City of Tacoma. In accordance with the interlocal agreements, 16% of the funding is dedicated to the operations and maintenance of eligible homeless shelters. Also, both programs are subject to the review committee and steering committee process.

The CEDD's Housing Division works proactively with eligible agencies, Living Access Support Alliance (LASA), Emergency Food Network (EFN), and other Pierce County non-profits to apply for and secure 2060 and 2163 funds for Lakewood projects. When successful, these monies support affordable housing, homelessness, and related social service programs.

Eligible activities for this program can include rental and furnishing of dwelling units for the use of homeless persons; costs of developing affordable housing for homeless persons; services for formerly homeless individuals and families; operating subsidies for transitional housing or permanent housing serving formerly homeless families or individuals; services to prevent homelessness; temporary services to assist persons leaving state institutions and other state programs to prevent them from becoming or remaining homeless; outreach services for homeless individuals and families; and, the development and management of local homeless plans, including homeless census data collection, identification of goals, performance measures, strategies, costs, and evaluation of progress towards established goals. Funds are awarded to projects annually through a competitive Notice of Fund Availability (NOFA) process. The annual budget totals about \$7.8 million.

#### **HOUSING PLANS AND POLICIES**

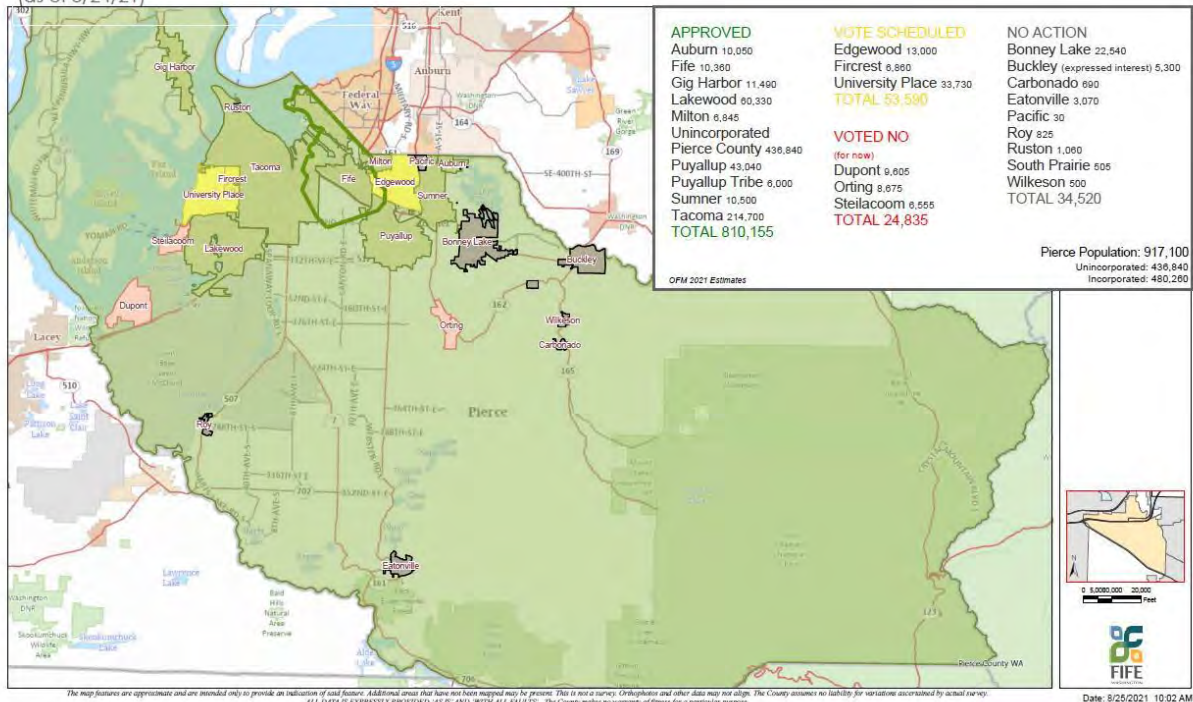
South Sound Housing Affordability Partners (SSHA<sup>3</sup>P): On July 19, 2021, the City Council adopted Resolution No. 2021-10 and was the first the first legislative body in Pierce County to authorize a city's participation in the regional coalition known as the South Sound Housing Affordability Partners (SSHA<sup>3</sup>P.) SSHA<sup>3</sup>P was formed to enable local governments to act cooperatively in formulating housing policies that address access to affordable/attainable housing, housing stability, and to foster efforts to preserve and create affordable/attainable housing by combining public funding or other resources with private-sector resources.



By the end of 2021, SSHA<sup>3</sup>P had garnered participation of 14 jurisdictions (Auburn, Edgewood, Fife, Fircrest, Gig Harbor, Lakewood, Milton, Pierce County, Puyallup Tribe of Indians, Puyallup, Sumner, Steilacoom (which joined SSHA<sup>3</sup>P after creation of the map below), Tacoma, and University Place.)

## SSHAP IGA CITIES

(as of 8/24/21)



In 2022, SSHAP will hire its Executive Manager, adopt a Work Plan, and consider whether to pursue the creation of a capital fund for use to create demonstration and/or collaborative affordable housing projects.

**Low Income and Subsidized Housing:** Lakewood has some existing low-income housing options. Combined with mobile home parks, subsidized housing totals 2,997 housing units, or about 11 percent of Lakewood's total housing stock:

- 26 mobile home parks comprising 1,451 manufactured units and RVs used as permanent housing;
- Habitat for Humanity programs which to-date have built 41 low-income residences in Tillicum;
- Living Access Support Alliance (LASA) provides housing to 15 families in Lakewood;
- Pierce County Housing Authority (PCHA) operates and manages four multifamily apartments totaling 269 units;



- Pierce County Housing Authority (PCHA) further offers a housing choice voucher program county-wide. On average, Section 8 Housing Choice vouchers pay Lakewood landlords \$800 per month towards rent. The average voucher holder contributes \$400 towards rent in Lakewood. The maximum amount a voucher would pay on behalf of a low-income tenant in Lakewood, Washington, for a two-bedroom apartment is between \$1,267 and \$1,549. There are 2,749 vouchers, and of this amount, about 550 are applied to rents in Lakewood; and
- A variety of agencies and private property owners operate subsidized low-income properties comprising 671 units.

#### City Housing Policies:

- The Lakewood City Council has prioritized both economic development and housing development to create a City identity and to provide needed “missing middle” housing for current and future residents. Basically, missing middle housing includes many housing types, such as duplexes, fourplexes, cottage courts, and courtyard buildings that provide diverse and more affordable housing options supporting locally-serving retail and public transportation options.



- In late 2018, the Lakewood City Council adopted the Lakewood Downtown Subarea Plan, accompanying development code and SEPA Planned Action, all of which were focused on solidifying a clear Downtown while encouraging well-designed, higher density housing and mixed use development that could take advantage of transit options within and near to the Downtown. The Planned Action provides a way by which development review is streamlined since individual projects consistent with the subarea plan do not have to undergo a SEPA analysis. The Lakewood Downtown Plan envisions 2,257 or more new housing units within the subarea plan boundaries by 2040.
- In 2021, Lakewood adopted the Lakewood Station District Subarea (LSDS) Plan, related development regulations, and a SEPA Planned Action. LSDS boundary incorporates the area within a half mile of the Sounder station but does not include areas southeast of I-5, since the freeway provides a significant barrier. The District implements development standards to foster a high quality, pedestrian-oriented urban environment, including incentives to encourage a dense mix of commercial and medical office, regional and



Residential densities would be up to 40 units per acres in the residential zone (MF3) and up to 54 units per acre in the mixed use zone (TOC). Residential development will target housing serving households at 65% to 110% of the area median income. Rowhouse residential development allows for compact residential development at an affordable price point. Ground-related units provide private and semiprivate outdoor space and the opportunity for zero-lot line platted development. This type of development provides homeownership opportunities and the chance to build wealth and equity for moderate income households in the subarea.

### City of Lakewood Downtown Subarea & Lakewood Station District Subarea

**Legend:**

- Orange shaded area: Downtown Subarea
- Red shaded area: Lakewood Station District Subarea
- Black dots: Lakewood City Limit

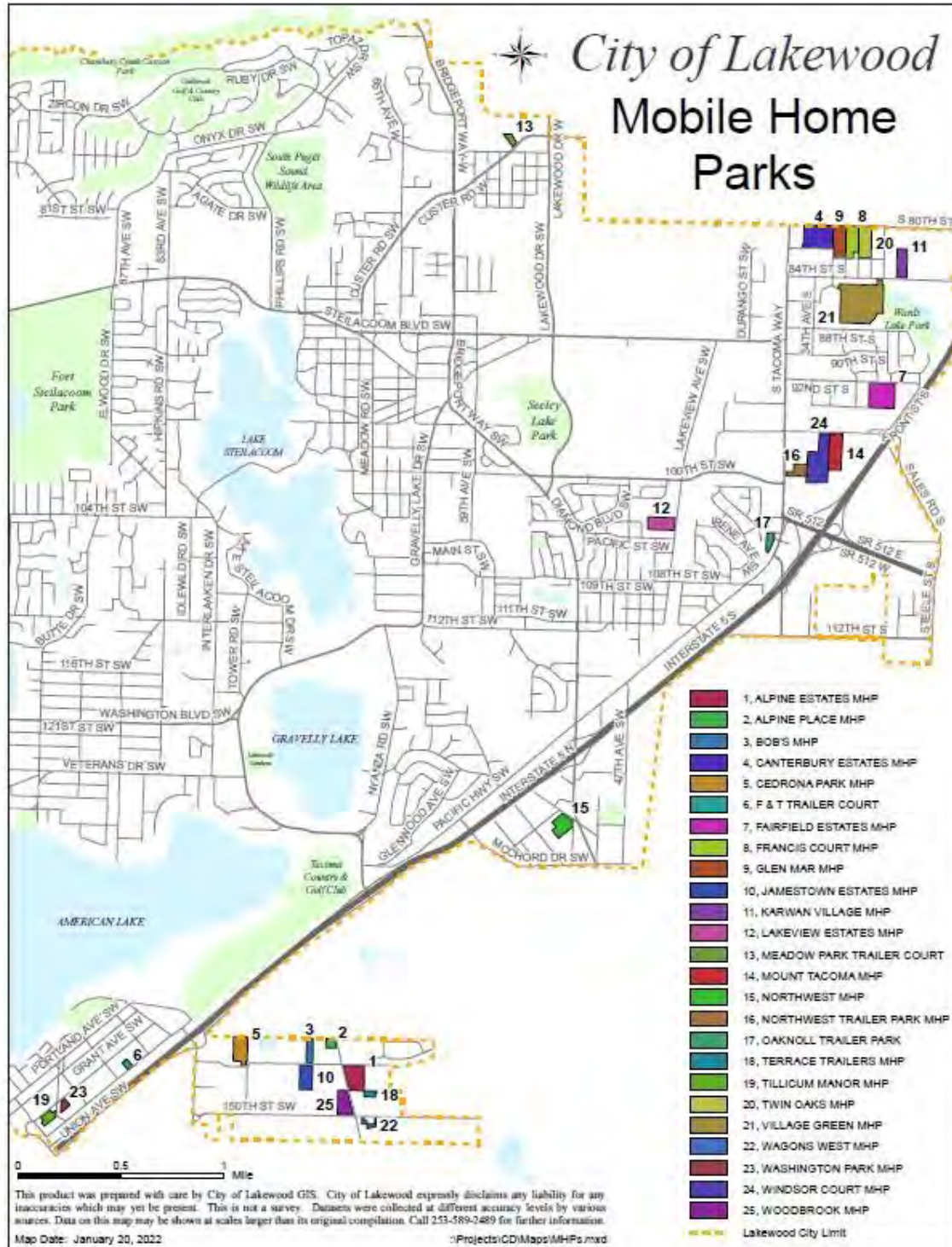
**Map Data:** May 11, 2011  
Projection: NAD83 / Colorado NAD83  
Scale: 1 inch = 1,000 feet

**Map Description:** This map shows the City of Lakewood, Colorado, with the Downtown Subarea and Lakewood Station District Subarea highlighted. The map includes a legend, a scale bar, and a north arrow. The map data is dated May 11, 2011, and the projection is NAD83 / Colorado NAD83. The scale is 1 inch = 1,000 feet.

- Lakewood has also adopted updated Accessory Dwelling Unit (ADU) policies and development code requirements that provide for the easier creation of more attached and detached ADUs associated with a single-family housing unit, duplex, triplex, townhome, or other housing unit in multiple city zones, including R1-R4, MR1 & MR 2, MF1 & MF2, and TOC.



**SPECIAL REPORT - MANUFACTURED HOUSING (MOBILE HOME) PARKS:** Lakewood has 25 manufactured home parks with a total of about 1,441 manufactured units. These parks were all in existence prior to incorporation.





Since incorporation, four parks have closed and the properties converted to other uses. An illegal park (mostly vacated) located in Woodbrook has also closed through an abatement action. Of the 25 existing parks, nine, or 36 percent, are located in the Air Corridor Zoning Districts AC1 and AC2 and are non-conforming uses. These land use zones do not allow new residential development and limit remodeling of residential uses in order to comply with safety guidance related to the adjacent North McChord Air Field operations.

State and federal laws limit local government regulation of manufactured housing. Local governments may not enact construction, safety, and energy standards that are stricter than those established the Department of Housing and Urban Development (HUD) since Congress passed the National Manufactured Housing Construction and Safety Standards Act of 1974.

Since 2004, under the guise of affordable homeownership and rental housing, the state adopted legislation that cities and counties are to regulate manufactured homes built to federal manufactured housing construction standards no differently than they regulate other types of homes. (See RCW 35.21.684; RCW 35A.21.312, and RCW 36.01.225.) Previously, Washington cities and counties seemingly had the authority to regulate the location of manufactured homes through zoning and even to ban them entirely.

In 2008, the legislature passed further restrictions providing that cities and counties may not prohibit a mobile or manufactured home from locating in an existing mobile home park or manufactured housing community (existing before June 12, 2008) based on the age or size of that mobile or manufactured home.

The 2009 legislature added a further limitation on the authority of cities and counties regarding manufactured/mobile home communities. Cities and counties may not have an ordinance that prevents the entry or requires the removal of a recreational vehicle used as a primary residence in manufactured/mobile home communities.

What can cities and counties regulate? They can require that manufactured homes:

1. Be set on a permanent foundation;
2. Have building permits for initial setup; carports, garages, decks, outside stairwells, and landings (but no permits required for the actual unit; that includes repairs and general maintenance);
3. Comply with any local design standards that may apply to all other homes in the neighborhood in which the manufactured home is to be located;
4. Be thermally equivalent to the state energy code;
5. Meet requirements for a "designated manufactured home" in RCW 35.63.160. (Because a "designated manufactured home" under that definition is one that includes at least two sections, cities and counties may still regulate "single-wide" manufactured homes differently than other types of homes.)
6. Have age and dimension criteria that is sited outside of mobile and manufactured housing communities, or on housing to be sited in new mobile home parks, or manufactured housing communities;



7. Be connected to utility hookups in manufactured/mobile home communities meet state and federal building code standards and that a recreational vehicle contain both an internal toilet and an internal shower (unless the manufactured/mobile home community provides toilets and showers).

History of Karwan Village Mobile Home Park, 2621 84<sup>th</sup> Street SW: There are 30-mobile homes identified in public records on the Karwan Village site as well as two stick-built structures, built in 1967, with add-ons, one of which houses electrical utilities serving the park and the other, a rental housing unit. The Property has not been consistently or properly maintained for years, requiring a great deal of attention from the City's code and law enforcement.

On October 19, 2019, the City's Hearing Examiner made the following conclusions:

...the conditions that qualify the buildings, structures and premises of the subject property as dangerous are serious and unquestionably threaten public health and safety. Multiple failing septic systems jeopardize the health of park residents as well as the public at large. Exposed and unprotected wires installed without permits are prevalent throughout several mobile home units, often in structures with leaking roofs that soak floors and walls. Squatters and vagrants use bathrooms without any functioning plumbing and RV units without septic connections simply dump sewage onto the ground. Carports that are decades old have undergone years of water damage. Some are listing and subject to makeshift repairs without required permits. Windows are broken leaving units exposed to the elements. Water is provided to some mobile homes via garden hoses. Makeshift water connections are illegally made above ground without backflow devices, facilitating the contamination of the park's water supply.

The Property has been a drain on City resources with staff responding to police calls and code enforcement violations. In 2018, Lakewood Police responded to complaints a total of 254 times and made a total of 25 arrests. Through June 26, 2019, Lakewood Police have responded to complaints a total of 100 times and made a total of 8 arrests. Lakewood Police have continued to make arrests at the property. From June 27, 2019 to date, Lakewood Police have responded to complaints 184 times (37 of which were calls from one-unit) and made a total of 19 arrests. Arrests for this period include:

- July 19, 2019 for misdemeanor arrest for physical domestic violence;
- August 20, 2019 for a misdemeanor warrant for violation of no-contact protection order;
- September 1, 2019 for felony arrest for warrant service of subject with a warrant;
- September 11, 2019 for felony arrest of subject with warrant for theft and one on the same day for felony arrest for warrant service of subject with a warrant;
- October 10, 2019 for misdemeanor arrest for physical domestic violence;
- November 4, 2019 for felony arrest for warrant service of subject with a warrant;



- December 22, 2019 for misdemeanor arrest for warrant service of subject with a warrant;
- January 19, 2020 for felony arrest for warrant service of subject with a warrant;
- June 5, 2020 for misdemeanor arrest for violation of a court order and one the same day for misdemeanor arrest for warrant service of subject with a warrant;
- July 4, 2020 for misdemeanor arrest for warrant service of subject with a warrant;
- August 6, 2020 for felony arrest for warrant service of subject with a warrant;
- August 27, 2020 for misdemeanor arrest for warrant service of subject with a warrant;
- October 24, 2020 for felony arrest for warrant service of subject with a warrant;
- November 4, 2020 for misdemeanor arrest for physical domestic violence;
- November 21, 2020 for misdemeanor arrest for warrant service of subject with a warrant; and
- November 23, 2020 for misdemeanor arrest for physical domestic violence.

For all practical purposes, the existing Karwan Village septic system is non-functional. The Tacoma Pierce County Health Department (TPCHD) did not initiate enforcement action against the previous owner or the current owner when both failed to act on permits or otherwise correct the deficiencies in the septic system until recently, when it began issuing septic system violation notices. However, the City has not received any written report or evaluation of the septic system at the Property by a TPCHD approved septic service company.

Conditions on the property remain generally unchanged since 2019 with the following exceptions:

- unit 39 has been completely demolished and removed from the property;
- nearly all of the garbage, trash, and junk conditions on the property have been cleaned up and removed from the common areas;
- both stick framed structures (unit 30 and unit 34) remain vacant;
- unit 29 was cleaned of debris, however it has not been demolished or repaired;
- unit 1 has been partially cleaned of junk and debris, however the out buildings and structures remain, along with various junk and trash; and
- the area around unit 28 remains littered with garbage and the front and rear porch and stairs have not been corrected or made safe for proper egress.

Conditions identified of specific tenant occupied trailers have been addressed with the exception of units 1 and 29.

The City is currently in Superior Court with the owner of the Karwan Village mobile home park. The purpose is to obtain a warrant of abatement to demolish unsafe structures, make substantial repairs throughout the park, and repair the septic system with least costly repair method. Upon completion of the work, the City will proceed with the filing of a lien against the property. Total costs are unknown at this time.



It is not uncommon for some of Lakewood's manufactured parks to have similar conditions. At Karwan Village, the City has resolved to "finish what we started", given its atrocious living conditions.

Why do these parks have these problems?

1. Absentee landlords take advantage of residents, because they are poor with very limited options, and do not speak English;
2. Residents do not own or control the land beneath their homes. The private company or investor owns the land, but is also responsible for its roads and utilities, which from the City's perspective, are almost never properly maintained (no long-term obligation to maintain assets);
3. Parks have a high cash flow. The economics behind parks are quite unique with many opportunities to generate cash, and without the need to maintain or upgrade the park because of state preemptions;
4. Limited appreciation in the manufactured units;
5. Units are difficult to sell, unique problems with title;
6. Unit transportation is difficult. Some units are too old to be transported in a regular manner making the cost to move a unit more than the unit's value;
7. The park's rules, if they exist, are not enforced by the private company or investor who owns the land;
8. Limited enforcement by State Labor and Industries (L&I)<sup>20</sup>, and
9. While TPCD has authority over septic systems, enforcement is not something they pursue.

**ENVIRONMENTAL FACTORS AFFECTING HOUSING:** Underlying the issue of housing is also climate change and Puget Sound water quality, both of which continue to contribute to the quickly increasing housing costs.

On the climate change front, at a minimum, developers are being required — by regulation, by changes in building codes, or by consumer demand — to substitute more energy-efficient building materials for existing materials. Developers will be required to adopt new construction methods and technologies. All these changes are likely to be expensive and involve some amount of trial and error<sup>21</sup>.

Pending amendments to the City's Tree Preservation Code could affect housing production by imposing new requirements for tree preservation set-asides, restricting development, or potentially in-lieu of fees.

Materials Cost Increases. The price of lumber has gone up 188 percent since the beginning of the COVID-19 pandemic, adding at least \$24,000 to the price of a new single-family home, according to the National Association of Home Builders (NAHB). Most of the wood supply for residential construction comes out of western Canada.

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<sup>20</sup> L&I has a total of two inspectors for all of Pierce County.

<sup>21</sup> file:///C:/Users/dbugher/Downloads/22847\_Research\_RIHA\_September\_2021\_Report\_WB.pdf



Global wood supply is determined by both sawmill and logistics capacity, and the ability of forestlands to grow trees. Although forests have always been subject to climatic events—such as drought, beetle outbreaks, windstorms, and wildfires—climate change appears to be making these events more frequent and severe.

To grasp the extensive impact that climatic events can have on wood supply, consider the mountain pine beetle in western Canada. While the beetles are a natural part of lodgepole forests, warming winters have meant there are now far fewer of the extreme cold snaps needed to keep beetle populations in check. In the 1990s, an outbreak that started in Tweedsmuir Provincial Park began growing out of control, killing large swaths of forest in its wake. Following a surge of salvage harvesting in the early 2000s, log supply began declining. Ultimately, the outbreak destroyed roughly 55% of BC's merchantable pine timber, or 25% of the province's log supply, resulting in the closure of 33 sawmills since 2005. Analysts are forecasting BC's timber harvest to decline still more in the future, due to the beetles, catastrophic wildfires, and conservation set-asides aimed at protecting an endangered population of mountain caribou<sup>22</sup>.

Sewer Rates and Fees. Most of the sewage plants in the region (58) do not filter out nutrients before discharging their treated water. The nutrient in question here is inorganic nitrogen. On top of natural sources of nitrogen, humans add this nutrient to Puget Sound in two ways: one source is wastewater, which represents nearly 70% of the human nitrogen pollution, and the other roughly 30% comes from dispersed sources of watershed "runoff," such as nitrogen-rich fertilizer that washes off the landscape into the sound.

Excess nitrogen in Puget Sound can trigger a cascade of ecological impacts and erode the ability of marine life to deal with a variety of environmental stressors. Nitrogen can feed a growth boom in algae, known as a "bloom," which, after dying off, sucks dissolved oxygen out of the water and changes the chemistry, leading to ocean acidification. Fish and other creatures that don't breathe air need certain levels of that water-bound oxygen in order to survive and thrive.

Lower oxygen levels in Puget Sound can stress out or even kill marine life, similar to the way it's harder for people to exercise or even just breathe at higher elevations, where the air is thinner and holds less oxygen. Jellyfish, on the other hand, may see a boost in numbers when water quality drops in this way, thanks to their simple and adaptable bodies, which allow them to survive in a wide range of environmental conditions. Harmful algal blooms also have a slew of effects: contaminating shellfish and potentially sickening people and animals.

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<sup>22</sup> <http://blog.cdnsiencepub.com/forest-research-and-skyrocketing-lumber-prices-whats-the-connection/>



Both King County and Tacoma estimate upgrades to treatment plants could at least double current sewer rates, worsening existing affordability issues because sewer rates are determined by water use, instead of some other measure such as property values<sup>23</sup>.

#### **WHY DO WE HAVE PROBLEMS WITH HOUSING PRODUCTION?<sup>24</sup>**

For the past 40 years, national housing supply has not kept pace with population growth. Housing starts as a share of the population decreased by roughly 39 percent in the 15-year period from January 2006 to June 2021. Researchers at Freddie Mac have estimated that the national current shortage of homes is close to 3.8 million, up substantially from an estimated 2.5 million in 2018.

These numbers are in the aggregate, but there are large and crucial differences between segments of the market. One of the most important is that the number of new homes constructed below 1,400 square feet—typically considered “entry-level” homes for first-time homebuyers—has decreased sharply since the Great Recession, and is more than 80 percent lower than the amount built in the 1970s. Similarly, entry-level homes are becoming a smaller fraction of the new homes that are being completed, representing less than 10 percent of all newly constructed homes, compared to roughly 35 percent in the 1970s. These dynamics mean that the critically important “bottom rung” of the home-ownership ladder is far too out-of-reach for young families trying to start building housing wealth.

The dearth of housing supply is caused by a range of factors and varies between markets. Many urban and suburban markets suffer from a shortage of available land. Part of the shortage of available land reflects public policy decisions of municipalities about how to use land. Additionally, labor shortages and the cost of building materials have increased in recent years.

Another key factor driving limited housing supply is rigid single-family zoning. Roughly 64 percent of all housing that has been authorized since the 2008 global financial crisis has been single-family homes. Units that have two to four residences and allow for multiple families to live on a single lot—as opposed to a large apartment which requires multiple lots to construct—have only accounted for roughly 3 percent of all permits since the financial crisis. Apartments and buildings with more than five units have accounted for approximately the remaining third.

In addition to the supply shortage in the homeownership market described above, the United States has an inadequate supply of housing for renters. Across the country, one in four renters pay more than half of their income on rent, and nearly 47 percent spend over the recommended 30 percent of their income on rent and utilities. These trends are partially driven by supply constraints. Rental unit vacancy rates from 2019 to 2021 have been, on

<sup>23</sup> <https://crosscut.com/environment/2021/10/urine-trouble-high-nitrogen-levels-puget-sound-cause-ecological-worry#:~:text=Among%20its%20many%20environmental%20challenges,peo>

<sup>24</sup> This section excerpted and modified from <https://www.whitehouse.gov/cea/written-materials/2021/09/01/alleviating-supply-constraints-in-the-housing-market/>



average, at their lowest levels in over 35 years. The problem of supply constraints appears to be worsening. In July 2021, rental prices had increased by 8.3 percent year-over-year, the largest increase for which realty website RealPage has data. In addition, 65 of the country's largest 150 metros are seeing price increases of over 10 percent year-over-year.

Now add to this, COVID-19. *The pandemic shifted families' preferences for location and type of housing, exacerbating existing supply chain constraints that have persisted for many years. These pandemic-related changes interacted with the existing housing inventory shortage, resulting in sharp price increases for both owned homes and rental units.* National home prices, as measured by the Case-Shiller Index, increased by 7 to 19 percent (year-over-year) every month from September 2020 to June 2021. Home prices outpaced income growth in 2020, with the national price-to-income ratio rising to 4.4—the highest observed level since 2006.

### **HOW DO WE FIX THIS - OR CAN WE?**

1. Recognize there is no easy solution. This housing shortage may not be solvable, at least in the short-term, and there are areas where the City has no control (market, labor and materials). Further, good intentions aside, major shifts in the application of residential density is not an easy process. As a good example, Olympia attempted to solve the missing middle housing problem by abolishing single family zoning in 2020. The zoning amendment process was a contentious confrontation with homeowners.

If Lakewood were to consider a similar approach, opening up single family zones for higher density, primary issues would be densifying the R1, R2, R3, and R4 zones, and the conversion of the Oakbrook Golf Club from open space to residential uses<sup>25</sup>. Perhaps different than Olympia would be the environmental and transportation consequences of such actions, *which the City and developers would not be able to mitigate*. Through SEPA, the City can choose to override the environment for the sake of housing, but there are consequences.

2. Locate the deficiencies in water and sewer services in Lakewood. Pierce County installed sewers in the 1980s, but based on then-existing uses. There was never any plan to have expanded capacity in the single family residential zones. One of the problems Lakewood experiences, from time-to-time, is that developers will propose density allowed under the current zoning code, but the underlying sewer capacity is not available. Consequently, under the County's sewer expansion policy of "pay as you go", the developer is required to pick up the costs for making major expansions to the sewer system. Many times, the cost of

<sup>25</sup> Over the past three years, the owner has informally requested changing land use designations to a residential designation. In each request, the City has stated that the owner would need to submit a comprehensive plan amendment to include the preparation of an EIS. At some point, according to the owner, if/when the conservation futures easement is removed/voided from the golf course (date unknown), the owner, because of rising property values would propose land use amendments.



sewer expansion is prohibitive; the developer is unable to afford installing this new sewer system, so the development stops.

The Lakewood Water District has a similar situation. The district has announced plans to replace 180 miles of aging asbestos cement water pipes over the next 50-years. These pipes are currently 50-70 years old and are at or near the end of their useful life.

The City has not yet analyzed the specific infrastructure deficiency areas in comparison to where missing idle housing might be located. Even if the City were to plan to densify with missing middle development requirements, it is unlikely to occur for many years.

3. Update the City's Comprehensive Plan Housing Element (already underway).
4. Review utility and special district permitting procedures in coordination with the City's three energy purveyors (Lakewood Light & Power, PSE and Tacoma Power), the Lakewood Water District, Pierce County Sewer District, and the West Pierce County Fire District (Fire Marshal services).
5. Considering Prepare a Housing Action Plan (HAP)<sup>26</sup> Grants have been available through the Washington State Department of Commerce to create a Housing Action Plan (HAP). The HAP answers these basic questions:
  - How much additional housing will be necessary to meet the needs of Lakewood's current and future households?
  - How effective are the city's current policies at ensuring adequate housing options?
  - How can the city, residents, and businesses work together to improve Lakewood's housing options?
  - What are Lakewood residents' preferred strategies for increasing affordable housing?
  - How can Lakewood work with its neighboring communities to meet the need for housing?
  - How do we prevent our current residents from being displaced by future development?

Since a new Lakewood Comprehensive Plan Housing Element is mandated, and due in 2024, which will likely answer these same questions, the City has opted to not pursue a HAP.

6. Consider Financial Options. There are financial programs that are addressing affordable housing at all levels of government. The key is access and coordination. A good example is the state's Connecting (affordable) Housing to Infrastructure Program (CHIP) grant, which has \$34.6 M available statewide. This is an opportunity for Tarragon Development Limited,

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<sup>26</sup> In 2020, Department of Commerce provided options for cities to develop housing strategies. Cities were given a menu of options. Two of those options were either prepare a subarea plan or a housing action plan. Since the city's housing programs were already robust, the decision was to move forward with the Lakewood Station District Subarea Plan. City received a grant of \$100,000 for this purpose.



the developer working within the Lakewood Station District Subarea in affordable housing, but the grant timing is tight this year, and the City would need assistance from special districts. If the City Council wants to take advantage of grant programs, the operations within CEDD will need to expand along with adding capacity to supporting service departments. Some of this has already occurred, but it is something we are watching.

7. Engage in active participation with the Washington State Housing Finance Commission (WSHFC). This Commission has been actively engaged in housing programs in Lakewood, oftentimes without the City's knowledge. A good example of this is the WSHFC's partnership with ROC Northwest and ROC USA, which offers the financial tools and expert guidance for manufactured-housing ("mobile-home") communities to become self-owned cooperatives. One park, Jamestown Estates, is in the process of becoming a resident-owned community. A second park is also considering a self-owned cooperative. The City became aware of the conversions as a result of an off-handed conversation between a park owner and the CEDD Director.

Further, the WSHFC is responsible for state's Low Income Housing Tax Credit (LIHTC) program, which five (5) apartment complexes in Lakewood have taken advantage of.

8. Keep doing what Lakewood is already doing.
  - The partnerships with LASA, Habitat of Humanity, Rebuilding Together South Sound, SSMCP, Pierce County, and SSHA<sup>3</sup>P are solid programs that should continue and be nurtured.
  - Continue to support the City's dangerous building abatement and public nuisance program. This endeavor helps turn over land into new housing production.
  - Continue to support the City's RHSP, which keeps existing rental housing properly maintained and deters deferred maintenance.
  - Continue the City Council's biennial review of the two subarea plans (the next review of the Downtown Subarea Plan is in 2022, and the first review of the Lakewood Station District Subarea Plan will be in 2023.)
  - Amend the City's MFTE program pursuant to state law and regulations, and expand the LDS RTA.
  - Even though it is taxing and expensive, continue to pursue the turnaround of poorly functioning manufactured housing parks as time and resources allow.
  - Continue with supporting housing efforts through CDBG/HOME; however, with less than \$1M a year, progress is going to be slow.
  - Continue to prepare the City's Annual Housing Report as a source for City Council consideration of any needed policy or legislative changes.
9. Seek an affordable housing demonstration project through SSHA<sup>3</sup>P. Exactly what this looks like, we're not sure, but additional details are expected later in the year.
10. Consider the use of ARPA funds to address not just homelessness, but housing, including the missing middle. At the moment, this remains a work in progress.





TO: Mayor and City Councilmembers

FROM: David Bugher, Assistant City Manager for Development Services, and  
Jeff Gumm, Housing Program Manager

THROUGH: John J. Caulfield, City Manager

DATE: February 28, 2022, City Council Study Session

SUBJECT: HOME & CDBG FY 2022 Annual Action Plan (AAP) Funding  
Priorities and Update on Related Housing Programs

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**Background:** This memorandum serves multiple purposes:

- 1) Provides as a brief review of HOME & CDBG programs & processes;
- 2) Reviews CDBG expenditures since the City began receiving funds in 2000;
- 3) Reviews CDBG and HOME funds used to assist Lakewood residents with the coronavirus pandemic;
- 4) Provides the City Council with a brief update on recently awarded HOME ARP (American Rescue Plan) funding;
- 5) Reviews current goals identified in the 5-YR 2020-2024 Consolidated Plan and activities being conducted as part of the current FY 2021 Annual Action Plan;
- 6) Includes recommendations as to how Council may want to use CDBG and HOME funds as the City prepares for the FY 2022 (July 1, 2022 – June 30, 2023) Annual Action Plan process.

**What is HOME?** Created by the National Affordability Housing Act of 1990, the HOME program's primary intent is to increase the supply of decent, affordable housing for low- and very low-income households. Eligible activities include:

- 1) Homeowner rehabilitation;
- 2) Homebuyer activities;
- 3) Rental housing, including capitalization of project reserves and buy down of debt;
- 4) Tenant-based rental assistance;
- 5) New construction of low-income housing (rental/homeownership);
- 6) Property acquisition and project development, including on-site improvements; and
- 7) Project-related soft costs (architectural, engineering, financial counseling, affirmative marketing, and fair housing services).



HOME funds carry various programmatic regulations which can be found at 24 CFR Part 92. Funds received must be committed to an eligible activity within two years and must be expended within four years. Lakewood qualifies for HOME funding through the consortium process as a member of the Tacoma-Lakewood HOME consortium.

*HOME Tip: With the exception of tenant based rental assistance, HOME funding could be thought of as a funding source for the development of permanent affordable housing (not to include transitional and shelter housing).*

### **How does HUD define various forms of housing?**

- Shelter – Housing which provides temporary shelter for homeless in general or for specific populations of the homeless and which do not require occupants to sign leases or occupancy agreements.
- Transitional Housing – Housing which is designed to facilitate movement to independent living within 24 months, or a longer period if approved by HUD.
- Permanent Housing – Community-based housing without a designated length of stay in which individuals and families live as independently as possible. Permanent housing typically involves homeownership or rentals with leases of at least one year.

**What is CDBG?** Authorized under Title 1 of the Housing and Community Development Act of 1974, the Community Development Block Grant (CDBG) program is a grant to local jurisdictions to assist in the development of viable communities. Funds are to be expended to principally benefit low- and moderate-income individuals through the provision of: 1) decent housing; 2) a suitable living environment; and 3) expanded economic opportunities. Each CDBG grantee is responsible for choosing how best to serve its community's interests and meet the needs of eligible citizens.

Eligible CDBG activities include the following:

#### Affordable Housing

- Homeowner rehabilitation
- Down payment assistance
- Rental rehabilitation
- Acquisition and demolition
- Lead paint activities
- New construction, if carried out by a CBDO

#### Public Services

- Employment and education services
- Childcare
- Health and substance abuse services
- Services for seniors
- Fair housing counseling
- Services for homeless
- Job training and employment services

#### Public Facilities/Infrastructure

- Acquisition, construction, rehab or installation of public or community facilities
- Infrastructure installation or improvements (i.e. roads, sidewalks, sewers, street lighting, etc.)

#### Economic Development

- Microenterprise assistance
- Commercial rehabilitation
- Job training and technical assistance
- Special economic development – acquisition, construction, rehab, installation of property or equipment



Two of the most common ways of using CDBG funds to support the development of permanent affordable housing is to use CDBG to acquire property on which permanent housing will be built using other resources, or to fund the installation or reconstruction of public improvements that will serve the affordable housing to be constructed. New construction of housing is typically an ineligible activity under the CDBG program, unless it is carried out by a community based development organization (CBDO). Habitat for Humanity is the only CBDO currently operating in Lakewood and Tacoma. Housing rehabilitation is also eligible under the CDBG program and may include the conversion of existing, non-residential structures into residential units.

CDBG funds may also be used to assist with the development of emergency shelters and transitional housing, provided the project is owned by the jurisdiction or a non-profit entity. Operations and maintenance of such facilities is considered eligible under public services activities; however, funding is limited so as not to exceed 15% of a grantee's funding allocation.

CDBG funds carry various programmatic regulations which can be found at 24 CFR 570. CDBG carries two specific funding caps: 1) administrative expenses may not exceed 20% of the current entitlement allocation and program income; and 2) public service activities may not exceed 15% of the current entitlement allocation, plus 15% of the preceding year's program income. Additionally, 70% of CDBG funds must be used to benefit low- and moderate- income individuals over a one-, two- or three-year time period. CDBG funding faces an annual timeliness test (May 1<sup>st</sup>) to ensure funds in the jurisdiction's federal line-of-credit do not exceed 1.5 times the annual grant for its current program year.

*CDBG Tip: CDBG funding provides a wide array of funding possibilities to allow a jurisdiction to fund community and economic development activities, public service related activities, and some housing assistance activities (not to include the development of permanent affordable housing).*

## What does Lakewood's historical CDBG funding picture look like to date?

TABLE 1 CDBG Expenditure by Funding Priority (including Program Income*)						
Year	Physical/ Infrastructure	Housing	Public Service	Economic Development	Admini- stration	Section 108 Loan Payment
2000	\$537,860.10	\$102,275.13	\$34,030.65	\$0.00	\$103,618.22	\$0.00
2001	\$250,286.87	\$126,611.96	\$60,022.92	\$0.00	\$153,428.50	\$0.00
2002	\$451,438.00	\$357,309.63	\$78,145.68	\$0.00	\$144,068.86	\$0.00
2003	\$399,609.05	\$350,528.50	\$76,294.76	\$0.00	\$161,200.00	\$0.00
2004	\$294,974.47	\$407,591.69	\$80,490.00	\$0.00	\$136,552.91	\$0.00
2005	\$86,156.39	\$359,033.03	\$68,336.00	\$0.00	\$130,879.53	\$0.00
2006	\$164,000.00	\$486,607.03	\$70,645.37	\$0.00	\$99,091.68	\$0.00
2007	\$0.00	\$427,346.00	\$66,380.17	\$0.00	\$96,940.46	\$0.00
2008	\$9,871.81	\$412,526.83	\$66,818.21	\$0.00	\$108,065.99	\$0.00
2009	\$20,000.00	\$433,021.09	\$64,920.04	\$0.00	\$127,986.46	\$0.00
2010	\$522,544.00	\$133,536.78	\$84,394.14	\$31,947.85	\$131,686.11	\$0.00
2011	\$185,481.69	\$268,584.51	\$86,187.73	\$0.00	\$123,853.80	\$0.00



TABLE 1 CDBG Expenditure by Funding Priority (including Program Income*)						
2012	\$0.00	\$280,854.87	\$34,701.05	\$0.00	\$100,871.31	\$0.00
2013	\$284,851.80	\$301,829.41	\$3,545.40	\$13,229.84	\$98,881.36	\$0.00
2014	\$160,000.00	\$188,138.86	\$48,065.71	\$0.00	\$108,853.98	\$0.00
2015	\$320,000.00	\$94,747.21	\$0.00	\$0.00	\$98,363.40	\$0.00
2016	\$321,937.57	\$164,351.72	\$0.00	\$0.00	\$106,967.67	\$0.00
2017	\$270,492.80	\$101,003.36	\$0.00	\$0.00	\$96,106.18	\$49,311.26
2018	\$300,000.00	\$220,546.92	\$0.00	\$0.00	\$102,580.28	\$49,812.66
2019	\$0.00	\$280,706.87	\$0.00	\$0.00	\$122,805.49	\$48,224.75
2020	\$0.00	\$224,925.17	\$0.00	\$0.00	\$106,919.53	\$0.00
2021	\$32,775.82	\$71,462.25	\$0.00	\$0.00	\$49,721.17	\$0.00
<b>TOTAL</b>	<b>\$4,612,280.37</b>	<b>\$5,793,538.82</b>	<b>\$922,977.83</b>	<b>\$45,177.69</b>	<b>\$2,509,442.89</b>	<b>\$147,348.67</b>
<i>*Program Income Included in Total</i>	<i>0.00</i>	<i>\$869,762.00</i>	<i>\$5,621.45</i>	<i>\$10,179.52</i>	<i>\$238,798.06</i>	<i>\$0.00</i>

**What CDBG and HOME funding was awarded to assist Lakewood residents with the negative impacts of the coronavirus pandemic?**

- 1) CDBG CARES Act funding (CDBG-CV): The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, provided economic assistance to American workers, families, small businesses, and industries adversely affected by the economic impacts of the coronavirus pandemic. Funding was awarded directly to CDBG grantees and to States over multiple funding rounds. In 2021/21, the City received a total of \$807,337 in direct CDBG-CV funding as part of CV1 and CV3 funding allocations. CDBG-CV2 funding totaling \$136,706 was awarded in 2021 through the WA State Department of Commerce.

CDBG-CV funding allocations were reviewed by Council and allocated as follows:

CDBG-CV1 & 3 (direct funding)

- \$88,805.27 for a small business assistance program;
- \$655,892.63 to provide for an emergency rental assistance program; and
- \$62,639.10 for general program administration.

CDBG-CV2 (through Commerce)

- \$121,706 awarded to LASA to fund Prairie Oaks Service Center rehab and expansion of client services facility; and
- \$15,000 for general program administration.

TABLE 2 CDBG-CV1 & 3 Expenditures and Outcomes			
Program	Expenditures	Fund Balance	Outcomes
Small Business Assistance Program	\$88,805.27	\$0.00	15 businesses assisted;



TABLE 2 CDBG-CV1 & 3 Expenditures and Outcomes			
			37 employees retained/ 1 new employee hired
Emergency Rental Assistance Program	\$482,690.63	<b>\$173,202.00</b>	149 households assisted/ 370 individuals retained housing
Administration	\$62,639.10	\$0.00	

TABLE 3 CDBG-CV2 Expenditures and Outcomes			
Program	Expenditures	Fund Balance	Outcomes
LASA Client Service Center Rehab	\$121,706.00	<b>\$121,706.00</b>	LASA in design phase of project
Administration	\$15,000.00	<b>\$15,000.00</b>	

- 2) HOME Tenant-Based Rental Assistance (TBRA) Program: As part of the FY 2020 Annual Action Plan, a total of \$148,464 was allocated for an emergency tenant based rental assistance program to assist tenants negatively impacted by the coronavirus pandemic.

TABLE 4 HOME Program Expenditures and Outcomes			
Program	Expenditures	Fund Balance	Outcomes
HOME TBRA Assistance Program	\$112,573.42	<b>\$35,890.58*</b>	48 households assisted/ 104 individuals retained housing
<i>* Program waivers expired for streamlined pandemic program. Propose to move fund balance to HOME Affordable Housing Fund in FY 22.</i>			

**HOME funding recently awarded through the American Rescue Plan (HOME-ARP):** The American Rescue Plan (ARP) Act provides \$5 billion in assistance for new federal homelessness assistance and supportive services programs. These grant funds have been awarded to the 651 State and local participating jurisdictions through the HOME Investment Partnerships Program (HOME). Lakewood, through the Tacoma-Lakewood Consortium, was awarded \$1,175,489 in HOME-ARP funding.

HOME-ARP funds can be used for four eligible activities:

- 1) Production or Preservation of Affordable Housing;
- 2) Tenant-Based Rental Assistance (TBRA);
- 3) Supportive Services, Homeless Prevention Services, and Housing Counseling; and
- 4) Purchase and Development of Non-Congregate Shelter.

HOME-ARP funds must be used to primarily benefit individuals or families from the following “qualifying populations”:

- 1) Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act;
- 2) At-risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act;



- 3) Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by the Secretary;
- 4) In other populations where providing supportive services or assistance under section 212(a) of the Act would prevent the family's homelessness or would serve those with the greatest risk of housing instability; and
- 5) Veterans and families that include a veteran family member that meet one of the preceding criteria.

All HOME-ARP projects must be completed within four years of the date of commitment of funds. Staff is engaging Pierce County and Tacoma to seek partnership opportunities to ensure funding and services are not duplicated, and to potentially coordinate regional projects and partnerships.

*Funding award is contingent upon a jurisdiction amending its FY 2021 Annual Action Plan to include required public outreach, selection processes for selecting eligible project(s), eligible activities funded, and qualifying populations served. Lakewood, as part of the Tacoma-Lakewood Consortium, will need to coordinate amendment of its FY 2021 Annual Action Plan with Tacoma (lead agency for HOME Consortium) and the Lakewood and Tacoma City Councils. Coordination between Lakewood and Tacoma staff is ongoing with timelines to amend the Plan anticipated to commence sometime in March-April with an estimated submittal date in July 2022. This process is separate from the City's FY 2022 Annual Action Plan process detailed below.*

**CDBG and HOME annual planning process:** HUD requires State and local governments to produce both a 5-Year Consolidated Plan and an Annual Action Plan to receive federal funding from the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). The 5-YR Consolidated Plan serves as a framework for identifying a City's long-term housing, homeless, and community development needs and provides a strategic plan for how a community intends to expend CDBG and HOME funds in order to satisfy those needs over a specified five-year period of time. The purpose of the 5-YR Plan is to create a broad, yet consistent, long-term (5 year) vision to carry out activities consistent with HUD's national objectives. The Annual Action Plan on the other hand, is a single year action plan derived from the goals of the 5-YR Plan as well as annual community input. Annual Action Plans provide specific activities and funding actions to be carried out to meet goals and objectives identified in the 5-YR Plan. Lakewood's current 5-YR Consolidated Plan was adopted by Council on June 1, 2020 (Resolution 2020-09) and covers fiscal years 2020-2024 (July 1, 2020 – June 30, 2025), while the Draft FY 2022 Annual Action Plan covers only fiscal year 2022 (July 1, 2022 – June 30, 2023).

Lakewood and Tacoma, through the Tacoma-Lakewood HOME consortium, create a joint 5-YR Consolidated Plan to address community development needs on a regional basis. Following the 5-YR Plan, both Lakewood and Tacoma create individual Annual Action Plans designed to address needs identified in the 5-YR Plan specific to each jurisdiction.

The discussion below focuses on proposed funding allocations for Lakewood's FY 2022 Annual Action Plan.

**Anticipate funding allocations for FY 2022 CDBG and HOME programs:** HUD has not yet released funding allocations for FY 2022. The President's FY 2022 budget does propose



an increase of \$295 million (8.5%) increase for CDBG and a \$500 million (37%) increase in HOME; however, staff is wary of proposing an increase without final congressional approval, and instead is proposing a conservative approach to anticipated funding. Should funding allocations differ from anticipated funding levels, staff would recommend prorating funding allocations accordingly. Staff is hopeful funding allocations will be approved sometime in late-April and projects the following funding amounts:

- 1) CDBG: **\$587,619** (1% increase from FY 2021 allocation of \$581,801)
- 2) HOME: **\$324,947** (1% increase from FY 2021 allocation of \$321,730)

**What does Lakewood’s typical CDBG/HOME program timeline look like?** With the program year of July 1 – June 30, the timeline below outlines major milestones. Each year the timeline consists of activities conducted to carry out the current Annual Action Plan and activities carried out in preparation for developing the following year’s Annual Action Plan.

<b>TABLE 5 CDBG/HOME TIMELINE</b>	
July 1	Program year begins.
September 14 - 29	15-day public comment period on CAPER <sup>1</sup> .
September 30	Submit CAPER to HUD (90 days after program year ends).
October/November	Conduct public hearing on community development needs for next year’s AAP.
December/January	Application filing period for funding.
January - March	Meetings with Advisory Board and Council on AAP funding priorities and activities.
April 1 – 30	30-day citizen comment period on AAP.
Mid-April	Public hearing on Draft AAP.
1 <sup>st</sup> week of May	Council approval of AAP.
May 15	Submittal of AAP to HUD (45 days before program year begins).
June 30	End of program year.

**What input did we receive at the October 27, 2021 public hearing on CDBG and HOME?**

Comments received focused primarily upon the need for affordable housing, shelter and transitional housing, and related housing programs and expenses (moving expenses, utility expenses and liens, screening fees, financial counseling, supportive drug/alcohol-free housing, re-entry beds, and transportation). Comments included support of the development of new transitional and shelter housing for the homeless and affordable homeownership opportunities for low- and moderate-income households in the wake of escalating housing prices. Additional support was recommended in the way of food assistance to low-income households, as well as the need to provided funding for land acquisition and rehabilitation of derelict properties.

<sup>1</sup> The Consolidated Annual Performance and Evaluation Report (CAPER) provides annual performance reporting on client outputs and outcomes that enables an assessment of grantee performance in achieving the housing stability outcome measure. The CAPER, in conjunction with the Integrated Disbursement Information System (IDIS), fulfills statutory and regulatory program reporting requirements and provides the grantee and HUD with the necessary information to assess the overall program performance and accomplishments against planned goals and objectives.



**What are the five year goals and objectives identified in the current 5-YR 2020-2024 Consolidated Plan?** The 5-YR Plan identified four goals to address over the next five years, each a high priority:

- 1) Housing instability among residents, including homelessness
- 2) Limited supply of diverse rental and homeownership opportunities
- 3) Need for accessible, culturally competent services
- 4) Need for safe, accessible homes and facilities

Priorities were established after quantitative and qualitative data analysis, broad discussions with community members and stakeholders, and review and consideration of strategic plans of local and regional partner agencies and providers and public planning documents.

The goals and outcomes outlined in Table 6 below affect populations that are underserved in the way of access to housing opportunities and services:

- Extremely low- and very low-income households;
- Immigrants;
- Seniors;
- People of color;
- Persons living with disabilities; and
- Persons experiencing homelessness.

These groups increasingly face competition for homes designed to serve their needs, as well as barriers to accessing existing affordable subsidized and unsubsidized homes in both cities. Severe housing problems like severe cost-burdens and overcrowding disproportionately affect householders that identify as Black and African American; Hispanic; and Asian-Pacific Islander.

TABLE 6 GOALS AND OUTCOMES ESTABLISHED FOR 5-YR 2020-24 PLAN	
<u>Goal 1. Housing instability, including homelessness</u>  1) Stabilize existing residents 2) Prevent and reduce homelessness 3) Need of accessible, culturally competent services  <u>Outcome</u> 1) Homeowner housing rehabilitated: 80 households (50 CDBG/30 HOME) 2) Tenant-based rental assistance: 50 households (HOME) 3) Job creation/retention: 2 businesses/5 jobs (CDBG) 4) Buildings demolished: 12 buildings (NSP)	<u>Goal 2. Affordable rental and homeowner opportunities</u>  1) Stabilize existing residents 2) Increase rental and homeownership and rental opportunities  <u>Outcome</u> 1) Homeowner/rental housing added: 30 households (HOME)



<b>TABLE 6</b> <b>GOALS AND OUTCOMES ESTABLISHED FOR 5-YR 2020-24 PLAN</b>	
<u>Goal 3. Need for accessible culturally competent services</u> 1) Prevent and reduce homelessness 2) Need of accessible, culturally competent services  <u>Outcome</u> 1) Fair housing, landlord-tenant, and stabilization services: 250 individuals (CDBG) 2) Emergency Assistance for Displaced Residents: 50 individuals (CDBG)	<u>Goal 4. Need for safe, accessible homes and facilities</u> 1) Stabilize existing residents 2) Increase rental and homeownership opportunities 3) Support of public infrastructure improvements  <u>Outcome</u> 1) Infrastructure improvements: 25,775 individuals (CDBG)

**What activities have been undertaken so far as part of the current 5-YR 2020-2024 Consolidated Plan?** The following tables list projects for the first two years of the Consolidated Plan (2020 & 2021) and anticipated projects for year three (2022). The list includes funding sources and anticipated project completion timelines.

<b>TABLE 7</b> <b>FY 2020 – Completed</b> <b>(July 1, 2020 – June 30, 2021 – YEAR 1 of PLAN)</b>	
<b>CDBG</b>	1. Major Home Repair- 7 single-family households/ 10 individuals assisted. 2. Emergency Assistance for Displaced Residents- 3 single-family households/ 5 individuals assisted.
<b>HOME</b>	1. TBRA- 48 single-family households/ 104 individuals assisted. 2. LASA- 5516 Fairlawn Dr. SW – Acquisition of one additional contiguous parcel and redevelopment. Acquisition price- \$396,296 (2060 County funds) 3. Housing Rehabilitation- 1 single-family household/ 3 individuals assisted. 4. Down Payment Assistance- 1 single-family household/ 2 individuals assisted.
<b>CDBG-CV1 &amp; 3</b>	1. Small Business Emergency Services Grant Program- 15 businesses/ 38 jobs (37 retained/1 new job created). 2. Emergency Payments for Rental/Mortgage Assistance- 65 single-family households/ 151 individuals assisted.
<b>2060 (Pierce County)</b>	1. LASA- 5516 Fairlawn Dr. SW acquisition- Acquired Jan 2021 with Pierce County 2060 funding (\$396,000). Contiguous parcel to LASA Client Service Center. Currently SF rental.

<b>TABLE 8</b> <b>FY 2021 - Ongoing</b> <b>(July 1, 2021 – June 30, 2022- YEAR 2 of PLAN)</b>	
<b>CDBG</b>	1. Major Home Repair- Target of 10 single-family households; 5 underway. Fund balance \$793,580.61; FY 2019, 2020, 2021. Completion 2022. 2. Emergency Assistance for Displaced Residents- Target of 10 individuals; 1 individual assisted. Fund balance \$71,473.26; FY 2020, 2021. Completion 2022/23. 3. Oakbrook Neighborhood Sidewalk Improvements- Proposed infrastructure. Fund balance \$273,983.38; FY 2021. Completion 2022. 4. Housing/Foreclosure Assistance- Assist 100 households. Fund balance \$50,000; FY 2021. Habitat for Humanity providing services. Completion 2022/23. 5. Fair Housing Counseling- Assist 50 individuals. Funding thru 2021 Administration. Completion 2022/23.



<b>TABLE 8</b> <b>FY 2021 - Ongoing</b> <b>(July 1, 2021 – June 30, 2022- YEAR 2 of PLAN)</b>	
<b>HOME</b>	1. Habitat- 15121 Boat St. SW- Construct 9 new single-family homes. Funded 2020; \$600,000. Completion in 2024. 3. LASA- 8966 Gravelly Lk. Dr. SW acquisition and rehab. Funded 2021; \$600,000. Contiguous parcel to LASA Client Service Center. Completion 2022. 4. Housing Rehabilitation projects- 2 single-family households. Funded \$120,000 program income. Completion 2022/23.
<b>HOME-ARP</b>	1. Allocation of \$1,175,489 awarded Lakewood thru Tacoma-Lakewood HOME Consortium in 2021. Staff engaging Tacoma and Pierce County for potential cooperative funding of regional project – LASA Gravelly Lk. Dr. SW. Completion 2025.
<b>CDBG-CV1, 2 &amp; 3</b>	1. Emergency Payments for Rental/Mortgage Assistance- 149 single-family households/ 370 individuals assisted. Fund balance \$173,202; FY 2021. Completion 2022. 2. LASA- Client Service Center Rehab/Services Expansion- 8956 Gravelly Lk. Dr. SW; shower, laundry, services, entry reconfiguration. Funded 2021; \$136,706 CDBG-CV2 thru Commerce (additional State general fund allocation of \$500K+). Completion 2023.
<b>NSP1</b>	1. NSP Abatement Fund- Demolished 2 dangerous structures; 2 ongoing. Funded \$150,000 program income. Completion 2022.
<b>NSP3</b>	1. Habitat- 15210 Portland Ave. SW- Construct 1 new single family home. Funded 2021; \$49,500. Completion 2024.
<b>SHB-1406</b>	1. Homeowner Rehab- 8509 Veterans Dr. SW & 12522 Nyanza Rd. SW. Projects underway; completion 2022.

<b>TABLE 9</b> <b>FY 2022 - Anticipated</b> <b>(July 1, 2022 – June 30, 2023- YEAR 3 of PLAN)</b>	
<b>CDBG</b>	1. Major Home Repair- 10 single-family households. Funding TBD 2022. Completion 2023. 2. Fair Housing Counseling- Assist 50 individuals. Funding thru 2022 Administration. Completion 2022. 3. Pierce County Housing Authority- Oakleaf and Village Square Apartments- Siding Repair/Exterior Painting- 64 units/ 88 individuals assisted (78 low-income individuals; 89% LMI population served). Funding TBD 2022. Completion 2023. 4. CDBG Emergency Payments Program- 35-50 single-family households. Funding TBD 2022. Completion 2023. 5. Emergency Assistance for Displaced Residents- Target of 10 individuals assisted. Fund balance \$71,473.26; FY 2020, 2021. Ongoing. Completion 2023.
<b>HOME</b>	1. Habitat- 15121 Boat St. SW- Ongoing. Completion 2024. 2. LASA- Gravelly Lake Dr. Service Center- Funding 2022 \$300,000; 2023 \$300,000- Ongoing. 3. Housing Rehabilitation projects- 2 single-family households. Funded \$120,000 program income. Completion 2023.
<b>HOME-ARP</b>	1. Lakewood project(s)- Ongoing. Completion 2025.
<b>CDBG-CV2</b>	1. LASA- Client Service Center Rehab/Services Expansion- 8956 Gravelly Lk. Dr. SW- Ongoing. Completion 2023.
<b>NSP1</b>	1. NSP Abatement Fund- - Demolish 3 dangerous structures. Funded \$75,000 program income. Completion 2023.
<b>NSP3</b>	1. Habitat- 15210 Portland Ave. SW- Construct 1 new single family home. Funded 2021; \$49,500. Ongoing. Completion 2024.
<b>SHB-1406</b>	1. Homeowner Rehab- 3 single-family households. Funding TBD 2022. Ongoing.



<b>TABLE 9</b> <b>FY 2022 - Anticipated</b> <b>(July 1, 2022 – June 30, 2023- YEAR 3 of PLAN)</b>	
<b>2060 (Pierce County)</b>	1. LASA- Gravelly Lake Dr. Service Center- Funding TBD 2022. Ongoing.

**Funding priority recommendation for CDBG and HOME for FY 2022 Annual Action Plan (year three of five):** Funding allocations for FY 2022 have not yet been announced and the recommendations included in this memo are preliminary. Funding allocations are typically released by HUD in late-April or May. The funding process includes two public hearings to receive public input on current community development, housing and public service needs. The first hearing was held on October 27, 2021, the second is scheduled to be held before Council on April 18, 2022.

Table 10 lists CDBG funding priority recommendations consistent with the current 5-YR 2020-24 Consolidated Plan:

<b>TABLE 10</b> <b>CDBG FUNDING RECOMMENDATIONS – FY 2022</b>				
	<b>CDBG</b>	<b>Reprogrammed CDBG</b>	<b>TOTAL</b>	<b>Consistent With 5-YR Goal</b>
Housing – Major Home Repair	\$155,095.20	\$66,417.67	\$221,512.87	#1 – Housing Instability, including homelessness (10 households)
Housing – PCHA Village Square/Oakleaf Apts. Rehab.	\$200,000	\$0	\$200,000	#2 – Affordable rental and homeowner opportunities (64 households)
Housing – CDBG Down Payment Assistance	\$0	\$0	\$0	#2 – Affordable rental and homeowner opportunities (2 households)
Services – CDBG Emergency Payments Program	\$100,000	\$0	\$100,000	#3 – Need for accessible culturally competent services (35-50 households)
CDBG Admin of HOME Housing Services	\$15,000	\$0	\$15,000	#1 – Housing Instability, including homelessness (2 households)
Administration	\$117,523.80	\$0	\$117,523.80	Administration
<b>Total Funding</b>	<b>\$587,619*</b>	<b>\$66,417.67**</b>	<b>\$654,036.67</b>	
<i>*Estimated CDBG allocation (2021 allocation was \$581,801).</i> <i>**Reprogrammed funding \$66,417.67 (FY 2020 Administration).</i>				



Table 11 lists HOME funding priority recommendations consistent with the current 5-YR 2020-24 Consolidated Plan:

<b>TABLE 11 HOME FUNDING RECOMMENDATIONS – FY 2022</b>				
	<b>HOME</b>	<b>Reprogrammed HOME</b>	<b>TOTAL</b>	<b>Consistent With 5-YR Goal</b>
Affordable Housing Fund	\$292,452	\$35,890.58	\$328,342.58	#2 – Affordable rental and homeowner opportunities (LASA Project)
Down Payment Assistance	\$0	\$0	\$0	#2 – Affordable rental and homeowner opportunities (1-2 households)
Administration (Tacoma 10%)	\$32,495	\$0	\$32,495	Administration
<b>Total Funding</b>	<b>\$324,947*</b>	<b>\$35,890.58**</b>	<b>\$360,837.58</b>	
<i>*Estimated HOME allocation (2021 allocation was \$321,730).  **Reprogrammed funding \$35,890.58 (FY 2021 Emergency Tenant-Based Rental Assistance).</i>				

**What is the CDBG Emergency Payments Program and why is it being proposed?** CDBG regulations do allow for payments to be made to an individual or family, for which the payments are used to provide basic services such as food, shelter or clothing, provided the payments are made directly to the provider of such services and the payments do not exceed three consecutive months. Activities of this sort are categorized as eligible under Public Service-type activities for low- and moderate-income individuals.

When receiving public input on the Plan in October 2021, staff noted the recurring theme of the need to fund services like moving expenses, screening fees, utility expenses and liens, transportation expenses, childcare expenses, clothing expenses for families moving from homelessness, and related rental move-in or program related housing fees. These same concerns were echoed during implementation of the City’s rental and mortgage assistance program. While many jurisdictions and organizations have extensive funding for rental and mortgage assistance programs, many of these related expenses have gone unnoticed, unfunded, and difficult for many low-income households to afford. There continues to be the need to fund these services for low-income households, especially for those minority households disproportionately impacted by the coronavirus pandemic.

The CDBG Emergency Payments Program would focus funding on serving low-income populations (30-50% AMI), with emphasis place on serving the elderly, disabled and minority populations disproportionately impacted by the coronavirus pandemic. The program would target assistance to no more than \$4,000 per household assistance on average. Payments would be made directly to providers with City-staff managing program implementation and daily operations. Staff will look to coordinate services implementation with local non-profit organizations, including LASA.

**What does the FY 2022 calendar look like?** Table 12 provides a timeline of activities to be undertaken by Lakewood and Tacoma to allocate CDBG and HOME funding for FY 2022:



<b>TABLE 12 CDBG/HOME FUNDING TIMELINE – FY 2022</b>	
<b>Date</b>	<b>Action</b>
<i>February 28, 2022</i>	<i>Council review of proposed CDBG/HOME funding priorities for FY 2022 Annual Action Plan.</i>
March 2, 2022	CSAB review and approval of proposed CDBG/HOME funding priorities for FY 2022 Annual Action Plan.
March 21, 2022 - Study Session	Council review of Draft FY 2022 Annual Action Plan.
April 1 – April 30, 2022	Citizen 30-day review and comment period of Draft FY 2022 Annual Action Plan.
April 18, 2022 - Council Meeting	Lakewood City Council Public Hearing on Draft FY 2022 Annual Action Plan.
April 12 or 19, 2022	Tacoma City Council Public Hearing on Draft FY 2022 Annual Action Plan.
May 2, 2022 - Council Meeting	Lakewood City Council adoption of FY 2022 Annual Action Plan.
May 3 or 10, 2022	Tacoma City Council adoption of FY 2022 Annual Action Plan.
May 13, 2022	Submittal of FY 2022 Annual Action Plan to HUD.

**Recap of recommendations moving forward:**

- 1) Staff is proposing to focus FY 2022 CDBG and HOME funding on primarily housing related activities, including the funding of Pierce County Housing Authority’s exterior rehabilitation of Oakleaf and Village Square Apartments;
- 2) Review of proposed funding priorities for FY 2022 CDBG and HOME expenditures is scheduled to be reviewed by the Community Services Advisory Board at their March 2, 2022 meeting;
- 3) Council may wish to fund alter CDBG or HOME funding recommendations provided in Tables 10 and 11 when funding recommendations are proposed at Council’s March 21<sup>st</sup> Regular Meeting;
- 4) Conduct a 30-day public comment period (April 1 – 30) and public hearing before Council on April 18<sup>th</sup> regarding the proposed FY 2022 Annual Action Plan;
- 5) Evaluate public input received during the 30-day comment period and April 18<sup>th</sup> public hearing; update recommendations to Council, if necessary;
- 6) Submit FY 2022 Annual Action Plan to HUD on May 13, 2022.



# OUT<sub>of</sub> REACH

THE HIGH COST OF HOUSING



2021

067

107

NATIONAL LOW INCOME HOUSING COALITION





## NATIONAL LOW INCOME HOUSING COALITION

Established in 1974 by Cushing N. Dolbeare, the National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that ensures people with the lowest incomes in the United States have affordable and decent homes.

NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions. Permission to reprint portions of this report or the data therein is granted, provided appropriate credit is given to the National Low Income Housing Coalition. Additional copies of *Out of Reach* are available from NLIHC.

Additional local data can be found online at  
**[www.nlihc.org/oor](http://www.nlihc.org/oor)**

The Print / PDF version of *Out of Reach* contains limited data in an effort to present the most important information in a limited number of pages.

The *Out of Reach* methodology was developed by Cushing N. Dolbeare, founder of the National Low Income Housing Coalition.

Data for other states, metropolitan areas, counties, and zip codes can be found at <http://nlihc.org/oor>

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2021

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# PREFACE

BY U.S. HUD SECRETARY MARCIA FUDGE



**T**he COVID-19 crisis has devastated our nation. More than half a million American lives have been claimed by this virus. Millions more have grappled with grief, isolation, and the financial hardship of lost jobs or reduced wage.

We know that Americans with the lowest incomes—who are more often people of color—have suffered disproportionate harm. Black, Native American, Hispanic, and Asian and Pacific Islander households have endured higher rates of infection, hospitalization, and death. Similarly, job losses and an uneven recovery have hit communities of color especially hard. This includes many landlords of color who have lost rent payments.

The Biden-Harris Administration has taken bold action to deliver relief for American families and communities. The American Rescue Plan, together with previous COVID relief bills, will provide more than \$46 billion to help people who have fallen behind on their rent payments. In addition, it includes \$10 billion in emergency housing vouchers and supportive services for people who are experiencing or at risk of experiencing homelessness. HUD is working with communities to deploy and leverage these vital resources in an efficient and equitable manner.

HUD is working with communities to deploy and leverage these vital resources in an efficient and equitable manner.

Moving forward, the Biden-Harris administration will continue to work relentlessly to provide every person with a fair chance to secure a safe, affordable, and dignified place to call home—and to live in a thriving community where opportunity is abundant.

This year's *Out of Reach* report from the National Low Income Housing Coalition outlines the urgent need for our government to expand affordable housing. It estimates that a full-time worker must earn at least \$20.40 per hour to rent a modest one-bedroom home, or \$24.90 per hour to rent a modest two-bedroom home. These amounts are far higher than many Americans—including seniors, people with disabilities, and working families—can spend on housing.

Even before the pandemic, our nation had a shortage of 7 million affordable and available homes for renters with the lowest incomes. As a result, 70% of these households routinely spent more than half of their incomes on rent. They have little ability to save—and one emergency or unexpected expense could send them into homelessness. To make matters worse, three out of four very low-income renters who are eligible for federal rental assistance do not receive it.

We can and must do more.

That is why the President has proposed the Build Back Better agenda, which would help build and modernize more than 2 million affordable and sustainable places to live. It is why he has directed HUD to explore every avenue for enforcing the Fair Housing Act—to ensure every American, regardless of their background, can enjoy equal access to affordable housing.

The President's budget proposes an additional allocation for rental assistance that would cover an estimated 200,000 households struggling to make ends meet. If enacted, the President's budget and the Build Back Better agenda would serve as a critical down payment toward his plan to put housing assistance in reach for every household in need.

As the United States continues to rebuild from the COVID-19 pandemic, we have an immense responsibility—and the great opportunity—to help our nation build back stronger than ever before. For HUD, that means doing our part to offer every American the chance to live each day with security, with dignity, and with hope. I hope each person who reads this important report will join our Department in working to make this vision a reality for the American people.

Sincerely,

Marcia Fudge

Secretary

U.S. Department of Housing and Urban Development



# INTRODUCTION

**T**he COVID-19 pandemic and its economic fallout underscore the need for a stronger housing safety net in the United States. During the peak of the crisis, when it was imperative for everyone to stay home and maintain social distancing, over 580,000 Americans were experiencing homelessness in shelters or on the streets (HUD, 2021). Millions more were at severe risk of eviction because interruptions in incomes broke their already-strained budgets. COVID-19 was an economic catastrophe for many households, disproportionately people of color, precisely because so many already could not afford their homes. Jurisdictions across the country worked to create new emergency rental assistance programs because pre-pandemic housing assistance programs, where they existed at all, were inadequate to keep renters housed. With the imminent lifting of the CDC eviction moratorium and most state and local moratoriums, many renters are at risk of eviction and need emergency assistance to pay off accumulated back rent. Long after the public health dangers and economic crisis gradually recede, low-wage workers and low-income renters will continue to be in a precarious position until we create permanent solutions to widespread housing unaffordability.

The economic downturn of 2020 hit low-wage workers especially hard. Industries with lower-paying jobs, including retail, food and beverage, and hospitality, were more likely to be exposed to shutdowns (Dey and Loewenstein, 2020), and consequently low-wage workers were more likely to see their hours reduced or their jobs cut. As of late March 2021, nearly 14 million renter households with annual incomes below \$50,000 had lost employment income during the pandemic (Census, 2021). According to the Economic Policy Institute, over 82% of the 9.6

million net jobs lost in 2020 were held by workers in the bottom quartile of the wage distribution (Gould & Kandra, 2021). That loss of employment income often caused serious material hardship. The need for food banks, for example, was considerably higher than normal throughout 2020, and four in 10 food bank visitors sought such assistance for the first time (Cohen, 2020). Surveys conducted between August 2020 and March 2021 suggest about a third of all households were consistently having trouble paying for usual household expenses. A year after the start of the pandemic, nearly a fourth of renters with incomes below \$50,000 were borrowing from friends and family to meet spending needs (Census, 2021).

People of color are more likely to have experienced a loss of income during the pandemic. By March 2021, 39% of white, non-Latino adults had experienced a loss of household income, compared to 49% of Black adults and 58% of Latino adults (Census, 2021). Pervasive racial and ethnic inequities across multiple domains—in wealth, income, employment, neighborhood quality, health care access, and housing—mean that when disaster strikes, people of color are often the most severely harmed.

The recovery from the pandemic has been uneven. The declining overall unemployment rate—which fell from 14.8% in April 2020 to 6.0% by March 2021—obscures substantial lingering pain for low-wage workers. Economists at the Federal Reserve estimated that workers in the lowest-wage quartile, disproportionately people of color, still faced an unemployment rate of 22% in February 2021 (Brainard, 2021). Likewise, researchers at Opportunity Insights estimate that in March 2021, employment for high-wage workers was up nearly 2% compared to a pre-pandemic levels but down 28% for

low-wage workers (Opportunity Insights, 2021).

Even if economic recovery is robust and sustained, low-wage workers will continue to struggle. First, it will be difficult for many households to erase accumulated debts without significant assistance. Ten million low-income renter households routinely spend more than half their incomes on rent (NLIHC, 2021b), and those households are unlikely to be able to pay for both ongoing expenses and debts accumulated during months of furlough or shutdown in 2020. Second, the economic circumstances low-wage workers face even during periods of economic strength are tremendously difficult. A return to the previous status quo will mean that millions of low-wage workers will continue to face financial precarity and housing instability.

Since 1989, NLIHC's *Out of Reach* report has called attention to the gulf between actual wages and what people need to earn to afford their rents. Every year, the report documents that an affordable rental home is out of reach for millions of low-wage workers and other low-income families. This year's report shows the extent to which housing costs outpaced wages even before the economic crisis, and the situation many renters face today is even more challenging.

COVID-19 was an economic catastrophe for many households, disproportionately people of color, precisely because so many already could not afford their homes.



The report's Housing Wage is an estimate of the hourly wage full-time workers must earn to afford a rental home at HUD's fair market rent without spending more than 30% of their incomes. Fair market rents are estimates of what a person moving today can expect to pay for a modestly priced rental home in a given area. The kind of home that can be rented for the fair market rent is in decent condition, but it is not luxury housing. **The 2021 National Housing Wage is \$24.90 per hour for a modest two-bedroom rental home and \$20.40 per hour for a modest one-bedroom rental home.**

The federal minimum wage of \$7.25 per hour falls well short of both the two-bedroom and one-bedroom National Housing Wages. Because the federal minimum wage does not rise automatically with inflation, it is worth considerably less today than it was worth in recent decades. If the minimum wage had increased at the rate of productivity growth, it would be over \$21 per hour in 2021 (Cooper, 2019). Thirty states, the District of Columbia, and several dozen counties and municipalities now have minimum wages higher than the federal minimum wage, but even taking

higher state and county minimum wages into account, the average minimum wage worker must work nearly 97 hours per week (more than 2 full-time jobs) to afford a two-bedroom rental home or 79 hours per week (almost 2 full-time jobs) to afford a one-bedroom rental home at the fair market rent. People who work 97 hours per week and need 8 hours per day of sleep have around 2 hours per day left over for everything else—commuting, cooking, cleaning, self-care, caring for children and family, and serving their community. Doing so is an impossibility for a single parent who needs a larger-than-one-bedroom apartment. Even for a one-bedroom rental, it is unreasonable to expect individuals to work 79 hours per week to afford their housing. For people who can work, one full-time job should be enough.

The struggle to afford rental housing is not confined to minimum-wage workers. The average renter's hourly wage of \$18.78 is \$6.12 less than the national two-bedroom Housing Wage and \$1.62 less than the one-bedroom Housing Wage. As a result, the average renter must work 53 hours per week to afford a modest two-bedroom apartment. Many single parents or

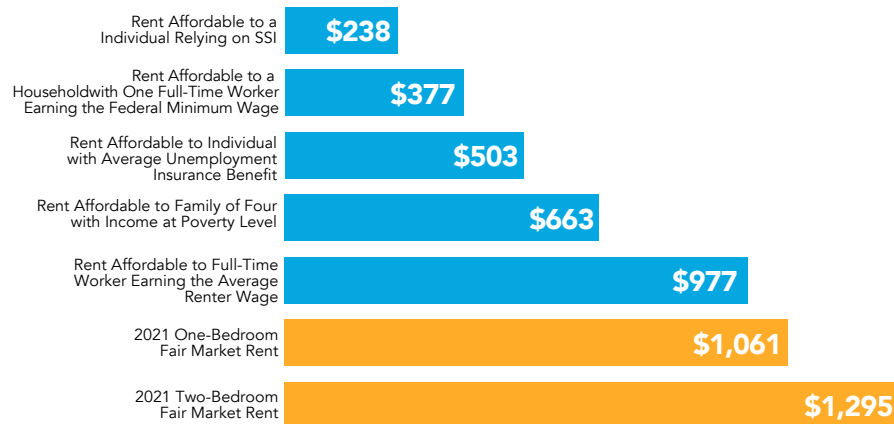
caregivers find it difficult to work those hours.

The average monthly fair market rent for a one-bedroom or two-bedroom rental home is \$1,061 or \$1,295, respectively—much higher than what many renters can afford (**Figure 1**). A family of four with poverty-level income in most areas of the U.S. can afford a monthly rent of no more than \$663, assuming they can manage to spend as much as 30% of their income on housing. Many extremely low-income families can afford far less. Individuals with disabilities relying on Supplemental Security Income (SSI) can afford a monthly rent of only \$238. A household receiving the average unemployment insurance benefit can afford a rent of no more than \$503. Since unemployment insurance is determined by an individual's former wages, those who had been making the minimum wage receive even less.

Even under the best of circumstances, rent is unaffordable for most low-wage workers. When they lose a job, face unexpected expenses like an emergency medical bill, or experience a disaster, their families struggle even more. Stable, affordable housing is a prerequisite for basic well-being, and no family should live in danger of losing their home.

Addressing the long-term housing affordability crisis in this country requires increasing rental assistance to all who need it, as well as expanding and preserving the affordable housing stock. At its current funding levels, federal housing assistance is available to only one in four income-eligible households (Fischer & Sard, 2017). To be effective, expanded rental assistance must be paired with a commitment to funding the construction of more affordable homes and implementing robust renter protections.

**FIGURE 1: RENTS ARE OUT OF REACH FOR MANY RENTERS**



Source: NLIHC calculation of weighted-average HUD Fair Market Rent. Affordable rents based on income and benefits data from BLS QCEW, 2019 adjusted to 2021 dollars; Center on Budget and Policy Priorities' Policy Basics: Unemployment Insurance, 2021; and Social Security Administration, 2021 maximum federal SSI benefit for individual.



# LOW WAGES IN A WEALTHY COUNTRY

The COVID crisis had a profound short-term impact on the U.S. labor market, with many low-wage workers furloughed or laid off and many higher-wage workers telecommuting. How the crisis will shape the labor market in the long term, after the public health risks subside, is still uncertain. One thing that is clear, however, is that the long-term trends over the past 40 years have not been favorable for low-wage workers. Over the course of the last several decades, low-wage workers have struggled to afford their homes in both good and bad economic times, and COVID-inspired changes are unlikely to solve that problem.

Wage growth has been slow for the lowest-wage workers for decades. Results from the Current Population Survey indicate that, between 1979 and 2019, inflation-adjusted hourly wages grew just 6.5% for the lowest-wage (at the 10th percentile) workers and 8.8% for median-wage workers. For Latino workers at the 10th percentile, inflation-adjusted hourly wages actually fell, as did the median hourly wages for Black and Latino men. In contrast, wages for the highest-paid workers (at the 90th percentile) grew by 41.3% (Congressional Research Service, 2020). Only in ten of the last 40 years did most workers see sustained increases in real wages, and in recent decades wages have been disconnected from increases in productivity. Between 1979 and 2018 productivity grew by nearly 70% while compensation for production and nonsupervisory workers grew by just 12% (Gould, 2020).

For many low-wage workers, employment is not sufficient to keep them out of poverty: the Bureau of Labor Statistics (BLS) estimates that in 2018, seven million “working poor” individuals spent more than half the year in the labor force but fell below the official poverty level (BLS, 2020b). Considering the criticisms that the official poverty measure undercounts the number of people experiencing what most would consider poverty (Fremstad, 2020), the actual number of “working poor” is likely even greater. There are racial disparities in who is likely to be working poor as well: 7.2% of Black workers in the labor force for at least 27 weeks per year were working poor, compared to 7% of Latino workers, 3.5% of white workers, and 2.3% of Asian workers.

There are likely multiple reasons for these wage trends and the economic precarity of many workers in an otherwise rich country. Some argue that “job polarization”—a decline of jobs in the middle of the wage distribution and growth at the extreme—plays a role in explaining the prevalence of low wages (Tüzeman & Willis, 2013). The industries in which people work might explain some trends: the share of jobs in manufacturing and production declined between 1979 and 2019, while the share of service-sector jobs, more likely to be low-wage, slightly increased (Congressional Research Service, 2020). Even within industries, though, the types of jobs have changed, as technological changes have eliminated some jobs in the middle of the distribution. Changing job requirements may disadvantage low-wage workers

and leave them with fewer options. The higher-education wage premium increased significantly between 1979 and 2019. For workers without a college degree, median wages fell over this period (Congressional Research Service, 2020).

The continued prevalence of low-wage jobs is not a natural and unalterable outcome—public policy shapes workers’ prospects. Slow growth in the federal minimum wage likely indirectly affects all low-wage work (Zipperer, 2015). Lack of meaningful support for organized labor affects the bargaining power of low-wage workers. While private-sector unions historically helped boost wages, especially for lower-wage workers and for Black and Latino workers generally, the share of workers who were unionized fell from 27% in 1979 to 11.6% in 2019. By one estimate, wages would have been 7.9% higher in 2019 if not for the forty-year decline in unionization rates (Mishel, 2021).

Whatever the causes, low wages make it difficult for households to achieve long-term economic stability, to save for future needs or even just to pay the rent each month. The COVID-19 pandemic and economic crisis has made this already dire situation worse for many low-income workers.

Over the course of the last several decades, low-wage workers have struggled to afford their homes in both good and bad economic times, and COVID-inspired changes are unlikely to solve that problem.



# THE RENTAL HOUSING MARKET FOR LOW-WAGE WORKERS

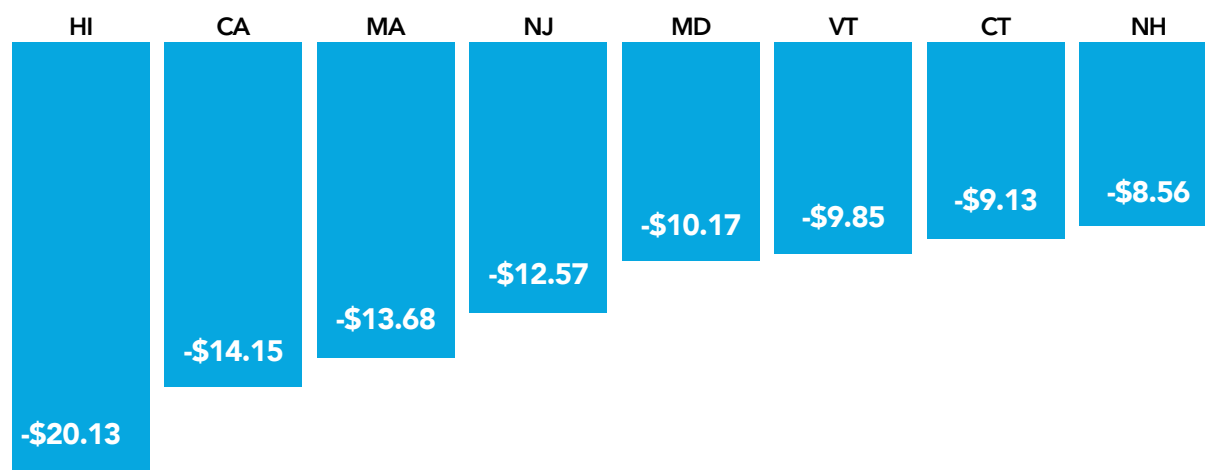
**F**or most low-wage workers, decent rental housing is unaffordable. While wages have been stagnant or slow to rise, rents continue to climb. In 45 states and the District of Columbia, median gross rents increased faster than median renter household income between 2001 and 2018 (Mazzara, 2019). In no state, metropolitan area, or county in the U.S. can a worker earning the federal or prevailing state or local minimum wage afford a modest two-bedroom rental home at fair market rent by working a standard 40-hour work week. In only 7% of all U.S. counties (218 counties out of more than 3,000 nationwide, not including Puerto Rico) can a full-time minimum-wage worker afford a one-bedroom rental home at fair market rent. Fifty local jurisdictions have

minimum wages higher than the federal or state minimum wage, but these local minimum-wage ordinances all fall short of the local one-bedroom and two-bedroom Housing Wage (Appendix A).

Even the average renter too often does not earn enough to afford a modest rental home. In 49 states, the District of Columbia, and Puerto Rico, the average renter earns less than the average two-bedroom Housing Wage. North Dakota is the sole exception. In 17 states, including California, Florida, and New York, the average renter earns at least \$5.00 less than the state's average two-bedroom Housing Wage. **Figure 2** shows the eight states with the largest gap between the average renter's wage and the two-bedroom Housing Wage. In 26 states and

In 49 states, the District of Columbia, and Puerto Rico, the average renter earns less than the average two-bedroom Housing Wage.

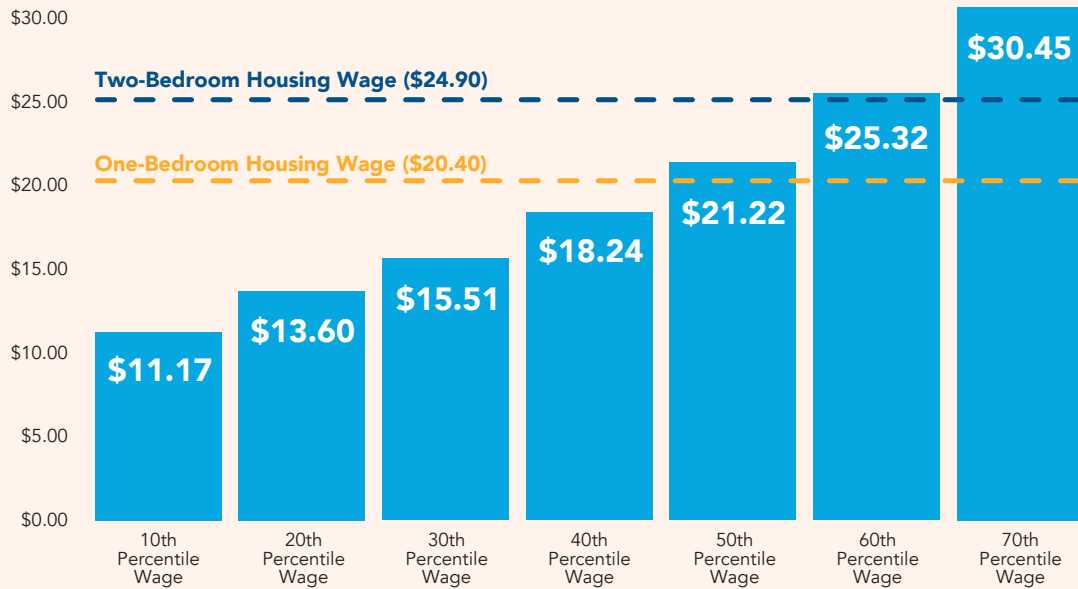
FIGURE 2: STATES WITH THE LARGEST SHORTFALL BETWEEN AVERAGE RENTER WAGE AND TWO-BEDROOM HOUSING WAGE



Source: Housing wages based on HUD fair market rents. Average renter wages based on BLS QCEW, 2019 adjusted to 2021 dollars.

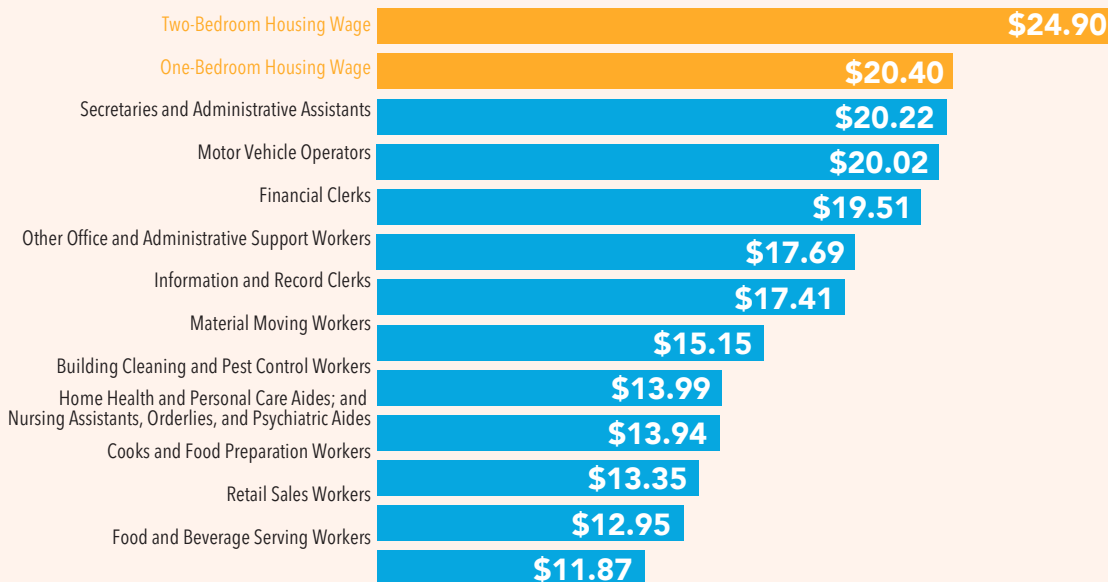


**FIGURE 3: HOURLY WAGES BY PERCENTILE VS. ONE- AND TWO-BEDROOM HOUSING WAGES**



Source: Housing wages based on HUD fair market rents. The hourly wages by percentile from the Economic Policy Institute State of Working America Data Library 2020, adjusted to 2021 dollars.

**FIGURE 4: ELEVEN OF THE TWENTY LARGEST OCCUPATIONS IN THE UNITED STATES PAY LESS THAN THE HOUSING WAGE**



Source: Occupational wages from May 2020 Occupational Employment Statistics, BLS, adjusted to 2021 dollars. Housing wages based on HUD fair market rents.

Puerto Rico, the average renter's wage is lower than even the one-bedroom Housing Wage.

The income distribution in **Figure 3**, which includes all wage and salary workers, shows that modest rental housing is out of reach for nearly every worker in the bottom half of the wage distribution. A modest one-bedroom rental home is unaffordable to more than 40% of wage earners. A modest two-bedroom rental home is unaffordable for nearly 60% of wage earners.

Eleven of the twenty largest occupations in the United States pay a lower median hourly wage than what a full-time worker needs to earn to afford a modest apartment at the national average fair market rent (**Figure 4**). The workers in these occupations account for more than 36% of the total U.S. workforce, excluding farmworkers. Nearly 14 million people work in retail sales or food and beverage service, occupations whose median wages are far less than what full-time workers need to afford a one-bedroom or two-bedroom apartment. Home health aides, personal care workers, and nursing assistants—occupations that are disproportionately Black and Latino (Rho, Brown, & Fremstad, 2020)—earn a median wage just two-thirds of what a full-time worker needs for a one-bedroom apartment. While low-wage jobs are sometimes labeled “low-skill” in the technical literature, in practice they can be quite difficult to perform. Low-wage jobs are often brutally taxing, and servers, drivers, personal care aides, and building maintenance staff develop specialized skills to meet the demands of the job and provide essential services to their communities (Lowrey, 2021).

Low-wage workers are not the only renters that struggle to afford their housing. Over 4.4 million renter households with incomes less than 50% of area median income have elderly heads of households not in the labor force. Over 1.7 million more have a householder with a disability out of the labor force, and approximately 800,000 are single-adult caregivers or in school. Low-income families with a variety of circumstances struggle to afford their rent.



# DISPROPORTIONATE HARM TO PEOPLE OF COLOR

**H**ousing unaffordability for low-wage workers disproportionately impacts people of color. Income inequality along racial lines, which contributes to the problem, is the product of historical and ongoing systemic racism: discrimination, economic exploitation, and unequal opportunities. Figure 5 compares the hourly wage distributions of white, Black, and Latino workers. For example, the 10th percentile wage bars show what the lowest-paid 10% of white, Black, and Latino workers are paid. White workers at the bottom of the white income distribution earn more than Black and Latino workers at the bottom of their respective income distributions. A Black worker at the 20th percentile of Black wages earns 15% less than a white worker at the 20th percentile of white wages. A Latino worker at the 20th percentile of Latino wages earns 12% less than the 20th percentile white

worker. This disparity holds across all income levels. The median Black worker and Latino worker earn 24% and 26% less than the median white worker. Native American households also face significant discrimination and barriers, and as a result they have lower odds of employment than white households (Austin, 2013) and generally lower incomes. Among households in the labor force in 2019 American Community Survey, Native American median household income was 47% lower than white median household income.

Black and Latino workers are more likely than white workers to be employed in sectors with lower median wages, like service or production, while white workers are more likely to be employed in higher-paying management and professional positions (BLS, 2020a). Native American workers are also much less likely than white workers to be employed in management

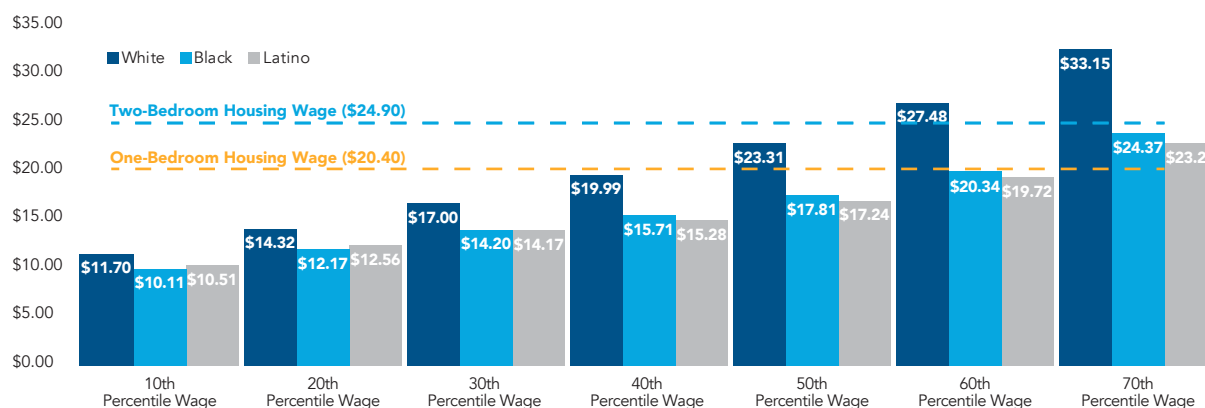
Black and Latino workers are more likely than white workers to be employed in sectors with lower median wages.

and professional occupations (Allard & Brundage, Jr., 2019). Even within occupational groups (e.g., among all workers in management and professional positions), the median earnings for white workers are often higher than median earnings for Black or Latino workers. Likewise among college graduates there are significant income disparities by race (Choi & Goodman, 2020). Workplace discrimination in hiring and promotion plays a role in creating these disparities (Quillian, Pager, Hexel, & Midtbøen, 2017).

Black and Latino workers face larger gaps between their wages and the cost of housing than white workers. The median-wage, full-time white worker earns a wage adequate to afford a one-bedroom apartment at fair market rent, but the median-wage, full-time Black or Latino worker does not (Figure 5). At the 60th percentile, a full-time white worker can afford a two-bedroom rental home at fair market rent. Meanwhile, a full-time Black or Latino worker at the 60th percentile-wage for their race or ethnicity cannot afford even a one-bedroom rental.

The unaffordability of the rental market disproportionately harms Black and Latino

FIGURE 5: HOURLY WAGE PERCENTILES VS. ONE- AND TWO-BEDROOM HOUSING WAGES



Source: Housing wages based on HUD Fair Market Rents. The hourly wages by percentile from the Economic Policy Institute State of Working America Data Library 2020. Adjusted to 2021 dollars.




households, because they are more likely at all income levels to be renters. In 2019, 28% of white households were renters, compared with 58% of Black households and 54% of Latino households (Census, 2020). Historical and ongoing discrimination has limited opportunities for homeownership for many people of color, and a large racial wealth gap makes it more difficult for people of color to become homeowners. In 2019, the median family wealth for Black and Latino households was just 13% and 19% of white households' median family wealth (Bhutta, Chang, Dettling & Hsu, 2020).

Households headed by people of color are more likely than white households to be renters with extremely low incomes: 20% of Black households, 18% of American Indian or Alaska Native households, 14% of Latino households, and 10% of Asian households are extremely low-income renters, compared to just 6% of white households. These extremely low-income renters have the greatest unmet housing needs of any income group (NLIHC, 2021b).

Black, Native American, and Latino households have been especially hard hit by the pandemic and its attendant economic downturn—more likely to be infected, more likely to develop serious illness, and more likely to lose a job or income (CDC, 2020). The unemployment rates for Black, Native American, and Latino workers were already higher than the unemployment rate for white workers before the pandemic, and the wave of shutdowns in the spring of 2020 expanded that disparity. In February 2020, the unemployment rate for Latino workers was 1.3 percentage points higher than the rate for white workers, and the rate for Black workers was 2.7 percentage points higher. By May 2020, the Latino-white unemployment gap grew to 5.3 percentage points, and the Black-white unemployment gap grew to 5.2 percentage points. The recovery since has been slower for Black and Latino workers. In March 2021, the size of the unemployment

gap was still higher than pre-pandemic: the Latino unemployment rate was 2.5 percentage points higher than the white rate, and the Black unemployment rate was 4.2 percentage points higher (BLS, 2021). Other research shows that the Native American unemployment rate is consistently 4 to 5 percentage points higher than the white unemployment rate, and the gap may have grown by as much as 10 percentage points during the crisis (Feir & Golding, 2020).

This uneven economic hardship explains why Black and Latino renters have been much more likely than white renters to have no or only slight confidence in their ability to pay next month's rent on time. At the end of April 2020, 43% of Latino renters and 44% of Black renters had no or only slight confidence in their ability to pay next month's rent on time (or had deferred payment), compared to 22% of white renters. One year later, that disparity persisted: 43% of Latino renters and 35% of Black renters still had no or only slight confidence, compared to 17% of white renters (Census, 2021). This difference in confidence likely reflects greater precarity for renters of color, who will need assistance to erase arrearages and stay housed in the coming year.



Renters of color are at greater risk of eviction and will need assistance to erase arrearages and stay housed.



# THE AFFORDABLE HOUSING SHORTAGE AND AFTERSHOCKS OF THE PANDEMIC

**W**hile an economic crisis disproportionately impacting the lowest-wage workers has certainly exacerbated their housing instability, the shortage of affordable rental homes for low-income households is not new. Prior to the pandemic there were only 37 affordable and available rental homes for every 100 renter households with extremely low incomes (NLIHC, 2021b), and every state and nearly every county in the U.S. lacked an adequate supply. As a result of this shortage, 85% of extremely low-income renters could not afford their rent, and 70% were spending more than half of their incomes on housing costs. Severely housing cost-burdened households have to sacrifice other basic necessities to pay the rent—to cut back on basic nutrition or forgo needed medical care, for instance. While many renters struggle to find affordable housing, the affordable housing shortage is predominantly a problem for renters with extremely low incomes. Extremely low-income households account for only 25% of all renters, yet they account for 72% of all severely housing cost-burdened renter households.

Low-wage workers struggle to find affordable homes in both good times and bad. During economic downturns, demand for lower-cost rental housing can increase, as distressed homeowners and renters in more expensive apartments seek cheaper options. As a result, rents for lower-cost housing can increase even while high-end residential rents fall, as seen in 2020 (Rampell, 2021).

During times of economic growth, the private market fails to provide a sufficient supply of affordable housing for the lowest-income

renters. Most new rental housing in the private market is built for high-income renters, in order to turn a profit after paying high development costs. The median asking rent for apartments in multifamily buildings constructed between July 2018 and June 2019 was \$1,620 per month, far more than what low-wage workers can afford (JCHS, 2020). Only 32% of all renters in 2019 could afford this level of rent. The argument is frequently made that new development will start a process by which housing will “filter down” to the lowest-income renters, as older housing is vacated by those with higher incomes. This filtering does not provide enough housing for the lowest-income renters, though, because landlords can virtually never, without state or federal subsidies, feasibly maintain housing at rent levels the lowest-income renters can afford (Apgar, 1993). When the housing market is strong, landlords have an incentive to renovate their properties to capture higher rents. The economic recovery from the crisis of 2020 will not on its own solve the problems low-income renters face.

Low-wage workers struggle to find affordable homes during economic downturns and during periods of economic growth.



# THE FEDERAL POLICIES NEEDED TO END THE HOUSING CRISIS

**A**s communities continue to combat COVID-19 and restore their economies, policymakers must ensure that emergency response programs are successful. Jurisdictions must implement emergency rental assistance programs in ways that ensure renters with the greatest needs can access the help they need, to remain stably housed and to address their accumulated back rent debt (Yae, Foley, Russell, & Orozco, 2021). With over \$46 billion appropriated by Congress to emergency rental assistance in the end-of-2020 COVID relief package and the 2021 American Rescue Plan, jurisdictions need to ensure that unnecessary barriers, like overly burdensome documentation requirements and landlord non-participation, do not prevent the lowest income and most marginalized renters from receiving needed assistance (Johnson & Yae, 2021).

The emergency rental assistance provided in response to the pandemic and current crisis will not, however, solve the long-term rental affordability challenge that low-wage workers and other low-income households have faced for decades. A stronger housing safety net is required to provide assistance to every household in need and to scale up automatically during crises, to prevent evictions and to reduce housing instability among the lowest-income renters who are already housing cost-burdened. Addressing the roots of the housing affordability problem requires a sustained commitment to universal rental assistance for eligible households, investments in new affordable housing affordable to the lowest-income people, the preservation of the affordable rental homes that already exist, and the establishment of strong renter protections.

First, Congress should expand access to rental assistance to every eligible household in need. Universal rental assistance could be provided by fully funding the Housing Choice Voucher program. Participants in the HCV program pay 30% of their adjusted gross incomes toward housing costs in the private market, and the voucher covers the remaining costs up to the local housing authority's payment standard. Vouchers typically cost less than new construction, making them an efficient option in markets where there is already an abundant supply of vacant, physically adequate housing. An expansion of Housing Choice Vouchers could be phased in, to give housing agencies time to build capacity to implement the program (Fischer, Acosta, & Gartland, 2021).

Many members of Congress have proposed expansions to rental assistance. Senators Todd Young (R-IN) and Chris Van Hollen (D-MD) introduced the "Family Stability and Opportunity Vouchers Act," which would create 500,000 new housing vouchers and counseling services to help families move to areas with greater access to schools, economic opportunities, and services. The "Ending Homelessness Act," released as a discussion draft by House Financial Services Committee Chair Maxine Waters (D-CA) would fully fund the Housing Choice Voucher program so it could assist all income-eligible households. President Biden made universal rental assistance a key part of his pre-election platform.

Second, Congress must expand the supply of affordable homes affordable to the lowest-income people with significant increases in capital investments. An annual investment of at

least \$45 billion into the national Housing Trust Fund (HTF) is needed to create, preserve, or rehabilitate homes for renters with extremely low incomes. Currently funded by small mandatory contributions from Fannie Mae and Freddie Mac, the national HTF is a block grant that gives states flexibility in how they use the money, provided at least 90% is used for rental housing and 75% of rental housing serves extremely low-income households.

Congressional support for significant investments in the national Housing Trust Fund continues to grow. Chair Waters provides \$45 billion for the national Housing Trust Fund in the "Housing is Infrastructure Act," mirroring President Biden's American Jobs Plan proposal. The "American Housing and Economic Mobility Act" introduced by Senator Elizabeth Warren (D-MA) and colleagues and the "Pathways to Stable and Affordable Housing for All Act," introduced in the 116th Congress by Senators Mazie Hirono (D-HI), Kirsten Gillibrand (D-NY), and Cory Booker (D-NJ) would direct \$45 billion annually to the national Housing Trust Fund.

Universal rental assistance could be provided by fully funding the Housing Choice Voucher program.



Funding is also needed to preserve, rehabilitate, and expand public housing, which provides an affordable home and housing stability to some of the nation's lowest-income renters. Public housing is a critical component of the U.S. housing infrastructure, but public housing authorities face a backlog of capital repair needs of \$70 billion (NLIHC, 2021a). Multiple proposals previously introduced or under discussion in Congress would address these needs. President Biden's American Jobs Plan includes \$40 billion to make much needed repairs to public housing. The "Housing is Infrastructure Act," as well as Senator Warren and Representative Nydia Velázquez's (D-NY) "Public Housing Emergency Response Act," would allocate \$70 billion to meet these capital needs.


An expansion of public housing could provide affordable homes to many households who currently do not receive any housing assistance. The Faircloth Amendment, which forbids expanding public housing beyond its 1999 levels, should be repealed. The "Homes for All Act," introduced in the 116th Congress by Representative Ilhan Omar (D-MN), would repeal the Faircloth amendment and invest \$1 trillion for new public housing and deeply affordable private-market homes.

Third, Congress needs to create a National Housing Stabilization Fund to provide emergency assistance to families who experience a sudden and temporary shock to their finances. The pandemic-related downturn provided a dramatic reminder of the precarity of many low-income households, and a stabilization fund could prevent evictions, housing instability, and homelessness by providing short-term assistance. The "Eviction Crisis Act," introduced by Senators Michael Bennet (D-CO) and Rob Portman (R-OH) in the 116th Congress, would create an Emergency Assistance Fund for state and local governments to establish short-term financial assistance and housing stabilization services.

Fourth, Congress must strengthen and enforce renter protections. Given that many voucher-holders struggle to find voucher-accepting landlords, a federal ban on "source-of-income" discrimination against voucher-holders is needed. The "Fair Housing Improvement Act," introduced in the 116th Congress by Senator Tim Kaine (D-VA) and Representatives Scott Peters (D-CA), Adam Schiff (D-CA), Raúl Grijalva (D-AZ), José Serrano (D-NY), and Ayanna Pressley (D-MA), would prohibit housing discrimination on the basis of source of income. Greater enforcement of the existing protections of the Fair Housing Act are also needed, to reduce racial and ethnic discrimination, and protections should be expanded to prohibit discrimination on the basis of sexual orientation, gender identity, and marital status. The "Fair and Equal Housing Act" introduced in the last Congress by Senator Kaine and Representative Brad Schneider (D-IL) would create protections against discrimination on the basis of sexual orientation and gender identity.

Very few renters have a lawyer during eviction proceedings, though legal representation gives them a much better chance of remaining stably housed, so a national right to counsel and sufficient funds to provide those services are needed. Congress should also enact legislation to create "just-cause" eviction protections, which limit the reasons for which a landlord may evict a tenant and create greater housing stability for renters.

A return to a pre-pandemic status quo would fail the millions of renters who could not afford their rent even in a better economic climate. As the country looks to recover from the pandemic and economic crisis, the time is ripe to make meaningful and long-lasting structural changes to ensure low-wage workers and the most marginalized people have stable, affordable homes.



A stabilization fund could prevent evictions, housing instability, and homelessness by providing short-term assistance.



# THE NUMBERS IN THIS REPORT

**O**ut of Reach data are available for every state, metropolitan area, and county at [www.nlihc.org/oor](http://www.nlihc.org/oor). We encourage you to visit the site, click on your state, and select “more info” to see an interactive page on which you can choose specific metropolitan areas or counties in your state. The final pages of this report describe where the numbers come from and how to use them, identify the most expensive jurisdictions, and provide state rankings.

The Housing Wage varies considerably across the country. The Housing Wage for a modest two-bedroom rental home in the San Francisco metropolitan area, for example, is \$68.33, far higher than the national Housing Wage. On the other end of the price spectrum, the two-bedroom Housing Wage is \$12.19 in areas of Alabama. Even so, many jurisdictions with lower-than-average Housing Wages still suffer from a shortage of affordable rental homes. Jurisdictions with a low Housing Wage tend to have less vibrant economies and lower-than-average household incomes, meaning a low Housing Wage is still out of reach for too many households.

The Housing Wage is based on HUD Fair Market Rents (FMR), which are estimates of what a family moving today can expect to pay for a modest rental home, not what all renters are currently paying. The FMR is the basis of the rent-payment standard for Housing Choice Vouchers and other HUD programs. The FMR is usually set at the 40th percentile of rents for typical homes occupied by recent movers in an area. FMRs are often applied uniformly within each FMR area, which is either a metropolitan area or nonmetropolitan county. Therefore, the Housing Wage does not reflect rent variations within a metropolitan area or nonmetropolitan county.

HUD publishes Small Area FMRs based on U.S. Postal Service ZIP codes to better reflect small-scale market conditions within metropolitan areas. NLIHC calculated the Housing Wage for each ZIP code to illustrate the variation in the Housing Wage within metropolitan areas. These wages can be found online at [www.nlihc.org/oor](http://www.nlihc.org/oor).

Readers are cautioned against comparing statistics in one edition of *Out of Reach* with those in another. Over time, HUD has changed its methodology for calculating FMRs and incomes. Since 2012, HUD has developed FMR estimates using American Community Survey (ACS) data to determine base rents, and this methodology can introduce more year-to-year variability. From time to time, an area’s FMRs are based on local rent surveys rather than the ACS. For these reasons, not all differences between previous editions of *Out of Reach* and this year’s report reflect actual market dynamics. Please consult the appendices and NLIHC research staff for assistance with interpreting changes in the data over time.

## DEFINITIONS

**Affordability** in this report is consistent with the federal standard that no more than 30% of a household’s gross income should be spent on rent and utilities. Households paying over 30% of their income are considered cost-burdened. Households paying over 50% of their income are considered severely cost-burdened.

**Area Median Income (AMI)** is used to determine income eligibility for affordable housing programs. The AMI is set according to family size and varies by region.

**Extremely Low Income (ELI)** refers to earning less than the poverty level or 30% of AMI.

**Housing Wage** is the estimated full-time hourly wage workers must earn to afford a decent rental home at HUD’s Fair Market Rent while spending no more than 30% of their income on housing costs.

**Full-time work** is defined as 2,080 hours per year (40 hours each week for 52 weeks). The average employee works roughly 35 hours per week, according to the Bureau of Labor Statistics.

**Fair Market Rent (FMR)** is typically the 40th percentile of gross rents for standard rental units. FMRs are determined by HUD on an annual basis, and reflect the cost of shelter and utilities. FMRs are used to determine payment standards for the Housing Choice Voucher program and Section 8 contracts.

**Renter wage** is the estimated mean hourly wage among renters, based on 2019 Bureau of Labor Statistics wage data, adjusted by the ratio of renter household income to the overall median household income reported in the ACS and projected to 2021.



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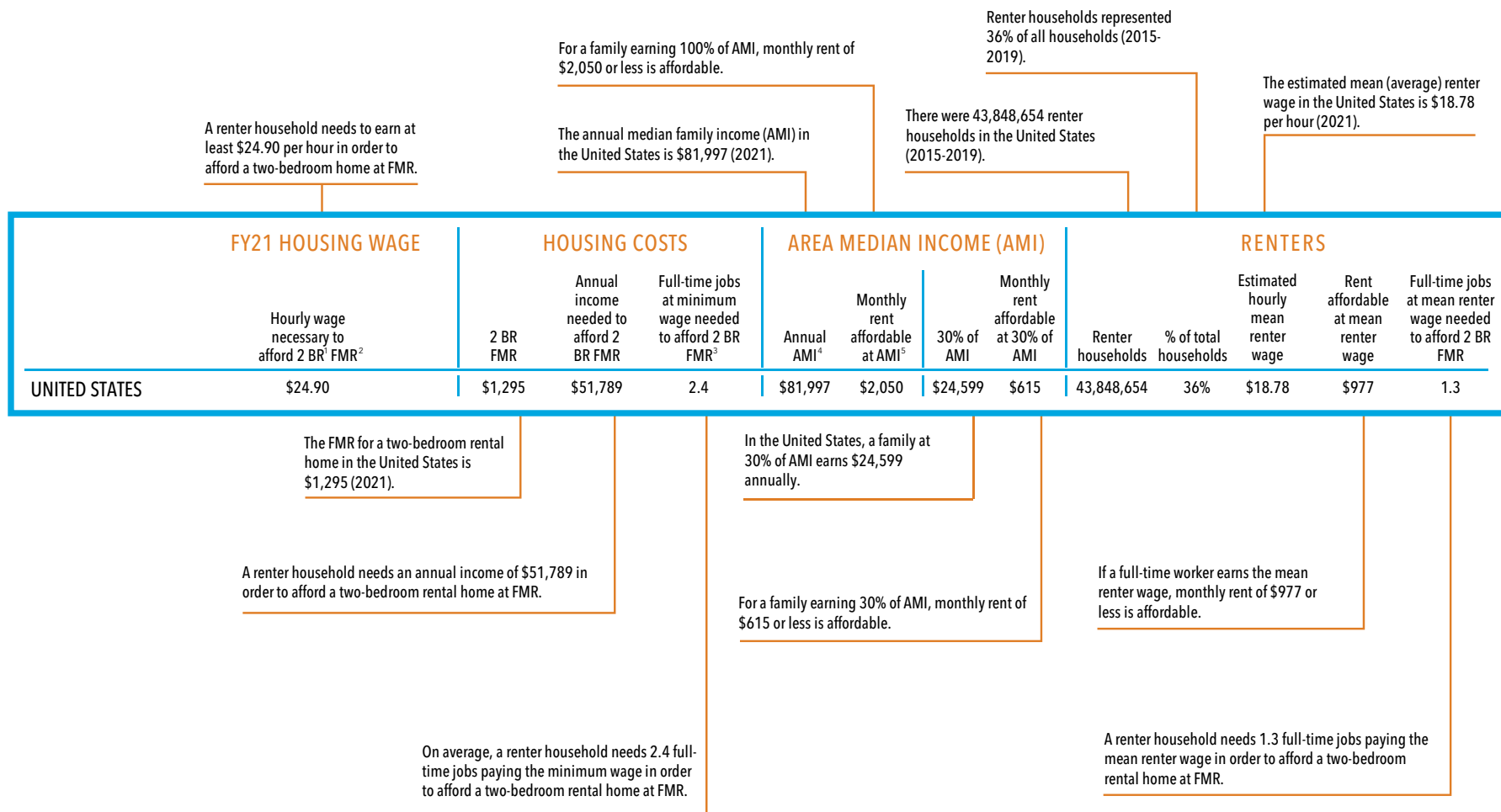
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# HOW TO USE THE NUMBERS



1: BR = Bedroom.

2: FMR = Fiscal Year 2021 Fair Market Rent.

3: This calculation uses the higher of the county, state, or federal minimum wage, where applicable.

4: AMI = Fiscal Year 2021 Area Median Family Income.

5: Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.

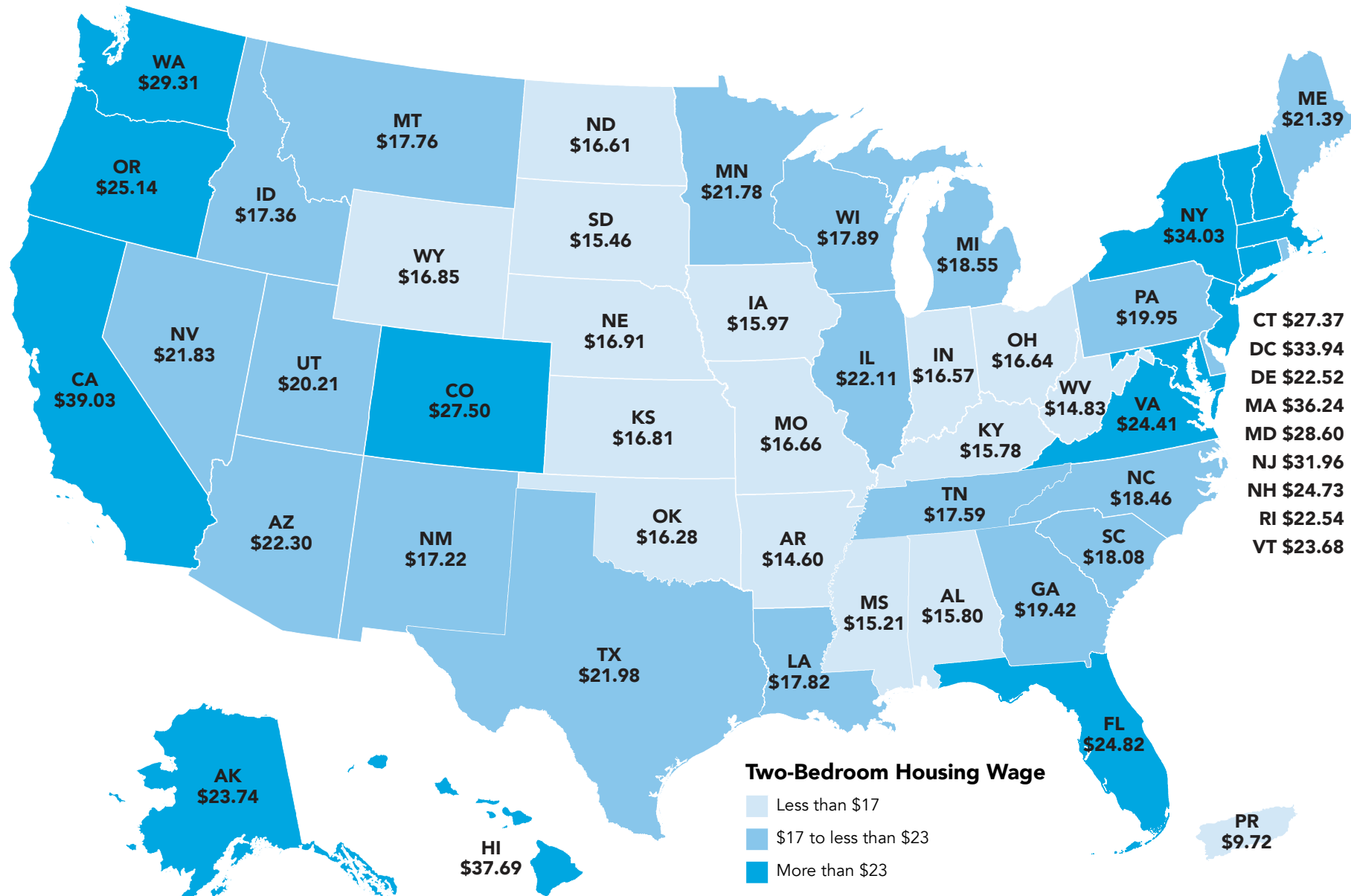






# 2021 TWO-BEDROOM RENTAL HOUSING WAGES

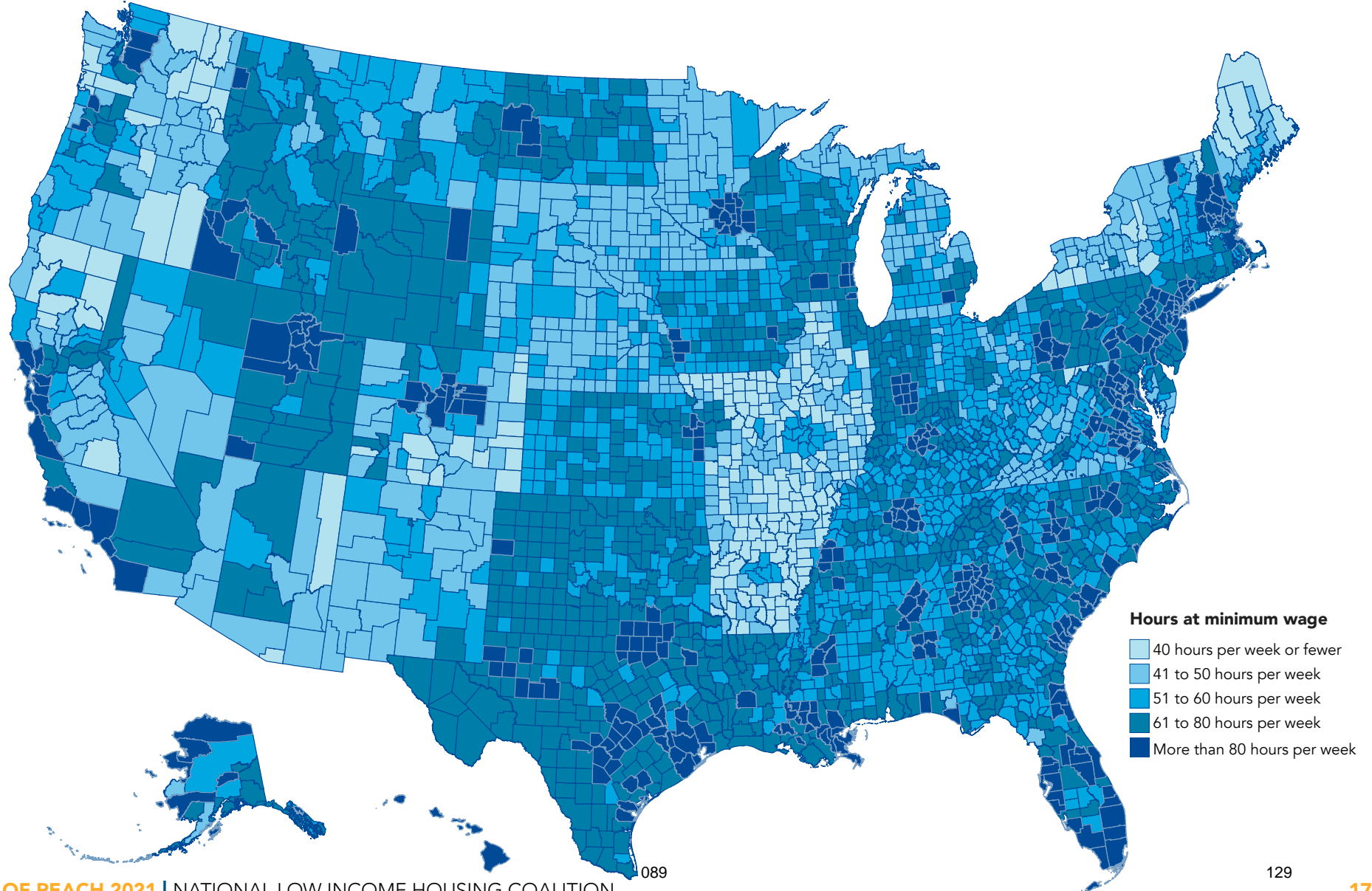
Represents the hourly wage that a full-time worker must earn (working 40 hours per week, 52 weeks per year) in order to afford Fair Market Rent for a **TWO-BEDROOM RENTAL HOME**, without paying more than 30% of income.





# 2021 HOURS AT MINIMUM WAGE NEEDED TO AFFORD A ONE-BEDROOM RENTAL HOME AT FAIR MARKET RENT

\*Note: New England states are displayed with HUD Fair Market Rent Areas. All other states are displayed at the county level. This map does not account for sub-county jurisdictions with minimum wages higher than the standard state or federal minimum wage. No local minimum wages are sufficient to afford a one-bedroom rental home at the Fair Market Rent with a 40 hour work week. The geographic variation of Oregon and New York's state minimum wages are reflected at the county level.





# MOST EXPENSIVE JURISDICTIONS

Metropolitan Areas		Metropolitan Counties <sup>2</sup>	
	Housing Wage for Two-Bedroom FMR <sup>1</sup>		Housing Wage for Two-Bedroom FMR
San Francisco, CA HMFA <sup>3</sup>	\$68.33	Marin County, CA	\$68.33
San Jose-Sunnyvale-Santa Clara, CA HMFA	\$58.67	San Mateo County, CA	\$68.33
Santa Cruz-Watsonville, CA MSA <sup>4</sup>	\$58.10	San Francisco County, CA	\$68.33
Oakland-Fremont, CA HMFA	\$45.83	Santa Clara County, CA	\$58.67
Santa Maria-Santa Barbara, CA HMFA	\$45.65	Santa Cruz County, CA	\$58.10
Boston-Cambridge-Quincy, MA-NH HMFA	\$44.92	Alameda County, CA	\$45.83
Santa Ana-Anaheim-Irvine, CA HMFA	\$44.83	Contra Costa County, CA	\$45.83
San Diego-Carlsbad, CA HMFA	\$40.85	Santa Barbara County, CA	\$45.65
Honolulu, HI HMFA	\$39.87	Orange County, CA	\$44.83
Los Angeles-Long Beach-Glendale, CA HMFA	\$39.58	San Diego County, CA	\$40.85
State Nonmetropolitan Areas (Combined)		Nonmetropolitan Counties (or County-Equivalents)	
	Housing Wage for Two-Bedroom FMR		Housing Wage for Two-Bedroom FMR
Hawaii	\$30.51	Nantucket County, MA	\$38.90
Massachusetts	\$27.34	Dukes County, MA	\$38.00
Alaska	\$24.55	Kauai County, HI	\$36.58
Connecticut	\$23.50	Monroe County, FL	\$33.54
California	\$21.01	Eagle County, CO	\$32.98
New Hampshire	\$20.87	Pitkin County, CO	\$32.90
Colorado	\$20.65	Bethel Census Area, AK	\$31.04
Vermont	\$18.73	Summit County, CO	\$30.90
Oregon	\$18.41	Aleutians West Census Area, AK	\$30.67
Maryland	\$18.23	Nome Census Area, AK	\$29.50
		Juneau City and Borough, AK	\$28.50

1 FMR = Fair Market Rent.

2 Excludes metropolitan counties in New England.

3 HMFA = HUD Metro FMR Area. This term indicates that a portion of an Office of Management & Budget (OMB)-defined core-based statistical area (CBSA) is in the area to which the FMRs apply. HUD is required by OMB to alter the names of the metropolitan geographic entities it derives from CBSAs when the geographies are not the same as that established by the OMB.

4 MSA = Metropolitan Statistical Area. Geographic entities defined by OMB for use by the federal statistical agencies in collecting, tabulating, and publishing federal statistics.



# STATES RANKED BY TWO-BEDROOM HOUSING WAGE

States are ranked from most expensive to least expensive.

Rank <sup>1</sup>	State	Housing Wage for Two-Bedroom FMR <sup>2</sup>	Rank <sup>1</sup>	State	Housing Wage for Two-Bedroom FMR <sup>2</sup>
1	California	\$39.03	28	Michigan	\$18.55
2	Hawaii	\$37.69	29	North Carolina	\$18.46
3	Massachusetts	\$36.24	30	South Carolina	\$18.08
4	New York	\$34.03	31	Wisconsin	\$17.89
6	New Jersey	\$31.96	32	Louisiana	\$17.82
7	Washington	\$29.31	33	Montana	\$17.76
8	Maryland	\$28.60	34	Tennessee	\$17.59
9	Colorado	\$27.50	35	Idaho	\$17.36
10	Connecticut	\$27.37	36	New Mexico	\$17.22
11	Oregon	\$25.14	37	Nebraska	\$16.91
12	Florida	\$24.82	38	Wyoming	\$16.85
13	New Hampshire	\$24.73	39	Kansas	\$16.81
14	Virginia	\$24.41	40	Missouri	\$16.66
15	Alaska	\$23.74	41	Ohio	\$16.64
16	Vermont	\$23.68	42	North Dakota	\$16.61
17	Rhode Island	\$22.54	43	Indiana	\$16.57
18	Delaware	\$22.52	44	Oklahoma	\$16.28
19	Arizona	\$22.30	45	Iowa	\$15.97
20	Illinois	\$22.11	46	Alabama	\$15.80
21	Texas	\$21.98	47	Kentucky	\$15.78
22	Nevada	\$21.83	48	South Dakota	\$15.46
23	Minnesota	\$21.78	49	Mississippi	\$15.21
24	Maine	\$21.39	50	West Virginia	\$14.83
25	Utah	\$20.21	51	Arkansas	\$14.60
26	Pennsylvania	\$19.95	OTHER		
27	Georgia	\$19.42	5	District of Columbia	\$33.94
			52	Puerto Rico	\$9.72

<sup>1</sup> Includes District of Columbia and Puerto Rico.

<sup>2</sup> FMR = Fair Market Rent.



# STATE SUMMARY

	FY21 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTER HOUSEHOLDS				
State	Hourly wage needed to afford 2 BR <sup>1</sup> FMR <sup>2</sup>	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage <sup>3</sup> needed to afford 2 BR FMR	Annual AMI <sup>4</sup>	Monthly rent affordable at AMI <sup>5</sup>	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2015-2019)	% of total households (2015-2019)	Estimated hourly mean renter wage (2021)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
Alabama	\$15.80	\$822	\$32,862	2.2	\$67,287	\$1,682	\$20,186	\$505	583,145	31%	\$13.62	\$708	1.2
Alaska	\$23.74	\$1,235	\$49,382	2.3	\$96,079	\$2,402	\$28,824	\$721	90,350	36%	\$20.23	\$1,052	1.2
Arizona	\$22.30	\$1,160	\$46,387	1.8	\$73,624	\$1,841	\$22,087	\$552	914,512	36%	\$18.12	\$942	1.2
Arkansas	\$14.60	\$759	\$30,372	1.3	\$61,881	\$1,547	\$18,564	\$464	398,616	34%	\$14.36	\$747	1
California	\$39.03	\$2,030	\$81,191	2.8	\$94,162	\$2,354	\$28,249	\$706	5,889,686	45%	\$24.89	\$1,294	1.6
Colorado	\$27.50	\$1,430	\$57,208	2.2	\$94,999	\$2,375	\$28,500	\$712	747,259	35%	\$20.42	\$1,062	1.3
Connecticut	\$27.37	\$1,423	\$56,922	2.3	\$104,545	\$2,614	\$31,363	\$784	465,065	34%	\$18.23	\$948	1.5
Delaware	\$22.52	\$1,171	\$46,846	2.4	\$84,986	\$2,125	\$25,496	\$637	104,542	29%	\$18.11	\$942	1.2
Florida	\$24.82	\$1,290	\$51,619	2.9	\$70,950	\$1,774	\$21,285	\$532	2,677,470	35%	\$17.69	\$920	1.4
Georgia	\$19.42	\$1,010	\$40,398	2.7	\$75,452	\$1,886	\$22,636	\$566	1,381,025	37%	\$18.00	\$936	1.1
Hawaii	\$37.69	\$1,960	\$78,401	3.7	\$100,068	\$2,502	\$30,020	\$751	189,047	41%	\$17.56	\$913	2.1
Idaho	\$17.36	\$903	\$36,116	2.4	\$68,852	\$1,721	\$20,656	\$516	189,292	30%	\$13.62	\$708	1.3
Illinois	\$22.11	\$1,150	\$45,986	2	\$86,811	\$2,170	\$26,043	\$651	1,643,419	34%	\$18.23	\$948	1.2
Indiana	\$16.57	\$862	\$34,474	2.3	\$73,294	\$1,832	\$21,988	\$550	794,237	31%	\$14.58	\$758	1.1
Iowa	\$15.97	\$831	\$33,224	2.2	\$79,931	\$1,998	\$23,979	\$599	366,250	29%	\$13.76	\$716	1.1
Kansas	\$16.81	\$874	\$34,975	2.3	\$75,840	\$1,896	\$22,752	\$569	381,104	34%	\$14.62	\$760	1.2
Kentucky	\$15.78	\$821	\$32,824	2.2	\$66,024	\$1,651	\$19,807	\$495	568,587	33%	\$14.25	\$741	1.1
Louisiana	\$17.82	\$927	\$37,062	2.5	\$66,040	\$1,651	\$19,812	\$495	598,292	34%	\$14.54	\$756	1.2
Maine	\$21.39	\$1,112	\$44,488	1.8	\$76,460	\$1,912	\$22,938	\$573	155,126	28%	\$12.90	\$671	1.7
Maryland	\$28.60	\$1,487	\$59,480	2.4	\$111,309	\$2,783	\$33,393	\$835	730,055	33%	\$18.42	\$958	1.6
Massachusetts	\$36.24	\$1,885	\$75,382	2.7	\$107,985	\$2,700	\$32,395	\$810	971,726	38%	\$22.56	\$1,173	1.6
Michigan	\$18.55	\$964	\$38,575	1.9	\$75,937	\$1,898	\$22,781	\$570	1,132,342	29%	\$15.62	\$812	1.2
Minnesota	\$21.78	\$1,133	\$41,301	2.2	\$93,854	\$2,346	\$28,156	\$704	620,733	28%	\$16.56	\$861	1.3
Mississippi	\$15.21	\$791	\$31,645	2.1	\$58,510	\$1,463	\$17,553	\$439	351,553	32%	\$12.23	\$636	1.2
Missouri	\$16.66	\$867	\$34,662	1.6	\$74,771	\$1,869	\$22,431	\$561	802,535	33%	\$15.62	\$812	1.1
Montana	\$17.76	\$923	\$36,931	2	\$72,450	\$1,811	\$21,735	\$543	136,400	32%	\$13.40	\$697	1.3
Nebraska	\$16.91	\$879	\$35,175	1.9	\$79,768	\$1,994	\$23,930	\$598	257,497	34%	\$14.04	\$730	1.2

1 BR = Bedroom.

2 FMR = Fiscal Year 2021 Fair Market Rent.

3 This calculation uses the higher of the state or federal minimum wage.

Local minimum wages are not used. See Appendix B.

4 AMI = Fiscal Year 2021 Area Median Income

5 Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.



# STATE SUMMARY

	FY21 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTER HOUSEHOLDS				
State	Hourly wage needed to afford 2 BR <sup>1</sup> FMR <sup>2</sup>	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage <sup>3</sup> needed to afford 2 BR FMR	Annual AMI <sup>4</sup>	Monthly rent affordable at AMI <sup>5</sup>	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2015-2019)	% of total households (2015-2019)	Estimated hourly mean renter wage (2021)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
Nevada	\$21.83	\$1,135	\$45,416	2.2	\$74,544	\$1,864	\$22,363	\$559	479,997	44%	\$17.52	\$911	1.2
New Hampshire	\$24.73	\$1,286	\$51,441	3.4	\$97,178	\$2,429	\$29,154	\$729	153,859	29%	\$16.17	\$841	1.5
New Jersey	\$31.96	\$1,662	\$66,468	2.7	\$105,344	\$2,634	\$31,603	\$790	1,167,634	36%	\$19.38	\$1,008	1.6
New Mexico	\$17.22	\$895	\$35,814	1.6	\$61,900	\$1,548	\$18,570	\$464	252,353	32%	\$14.37	\$747	1.2
New York	\$34.03	\$1,770	\$70,782	2.7	\$90,280	\$2,257	\$27,084	\$677	3,385,432	46%	\$26.67	\$1,387	1.3
North Carolina	\$18.46	\$960	\$38,400	2.5	\$71,821	\$1,796	\$21,546	\$539	1,379,548	35%	\$16.37	\$851	1.1
North Dakota	\$16.61	\$864	\$34,552	2.3	\$88,956	\$2,224	\$26,687	\$667	119,840	38%	\$17.64	\$917	0.9
Ohio	\$16.64	\$865	\$34,608	1.9	\$75,761	\$1,894	\$22,728	\$568	1,587,312	34%	\$14.84	\$772	1.1
Oklahoma	\$16.28	\$847	\$33,865	2.2	\$67,936	\$1,698	\$20,381	\$510	508,939	34%	\$15.42	\$802	1.1
Oregon	\$25.14	\$1,307	\$52,296	2.0	\$82,412	\$2,060	\$24,724	\$618	606,086	38%	\$17.30	\$900	1.5
Pennsylvania	\$19.95	\$1,037	\$41,494	2.8	\$82,911	\$2,073	\$24,873	\$622	1,572,128	31%	\$16.43	\$854	1.2
Rhode Island	\$22.54	\$1,172	\$46,885	2.0	\$87,905	\$2,198	\$26,372	\$659	160,997	39%	\$14.24	\$741	1.6
South Carolina	\$18.08	\$940	\$37,598	2.5	\$69,180	\$1,730	\$20,754	\$519	588,023	31%	\$13.97	\$726	1.3
South Dakota	\$15.46	\$804	\$32,159	1.6	\$75,887	\$1,897	\$22,766	\$569	110,790	32%	\$13.15	\$684	1.2
Tennessee	\$17.59	\$915	\$36,587	2.4	\$68,613	\$1,715	\$20,584	\$515	875,045	34%	\$16.20	\$843	1.1
Texas	\$21.98	\$1,143	\$45,714	3.0	\$76,812	\$1,920	\$23,044	\$576	3,686,845	38%	\$20.25	\$1,053	1.1
Utah	\$20.21	\$1,051	\$42,036	2.8	\$86,186	\$2,155	\$25,856	\$646	291,614	30%	\$15.66	\$814	1.3
Vermont	\$23.68	\$1,231	\$49,258	2.0	\$82,044	\$2,051	\$24,613	\$615	76,030	29%	\$13.83	\$719	1.7
Virginia	\$24.41	\$1,269	\$50,767	2.6	\$94,743	\$2,369	\$28,423	\$711	1,063,334	34%	\$19.18	\$997	1.3
Washington	\$29.31	\$1,524	\$60,966	2.1	\$95,767	\$2,394	\$28,730	\$718	1,055,157	37%	\$22.94	\$1,193	1.3
West Virginia	\$14.83	\$771	\$30,852	1.7	\$62,217	\$1,555	\$18,665	\$467	196,432	27%	\$12.69	\$660	1.2
Wisconsin	\$17.89	\$930	\$37,202	2.5	\$81,313	\$2,033	\$24,394	\$610	777,217	33%	\$14.76	\$767	1.2
Wyoming	\$16.85	\$876	\$35,041	2.3	\$82,333	\$2,058	\$24,700	\$617	68,129	30%	\$15.72	\$817	1.1
OTHER													
District of Columbia	\$33.94	\$1,765	\$70,600	2.2	\$129,000	\$3,225	\$38,700	\$968	166,019	58%	\$30.13	\$1,567	1.1
Puerto Rico	\$9.72	\$506	\$20,225	1.3	\$26,086	\$652	\$7,826	\$186	380,029	32%	\$7.53	\$391	1.3

1 BR = Bedroom.

2 FMR = Fiscal Year 2021 Fair Market Rent.

3 This calculation uses the higher of the county, state, or federal minimum wage, where applicable.

4 AMI = Fiscal Year 2021 Area Median Income

5 Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.



# STATE PAGES





# WASHINGTON

#7\*

In **Washington**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,524**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$5,080** monthly or **\$60,966** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

**\$29.31**  
PER HOUR  
STATE HOUSING  
WAGE

## FACTS ABOUT WASHINGTON:

STATE FACTS	
Minimum Wage	<b>\$13.69</b>
Average Renter Wage	<b>\$22.94</b>
2-Bedroom Housing Wage	<b>\$29.31</b>
Number of Renter Households	<b>1,055,157</b>
Percent Renters	<b>37%</b>

**86**  
Work Hours Per Week At  
**Minimum Wage** To Afford a **2-Bedroom**  
**Rental Home** (at FMR)

**70**  
Work Hours Per Week At  
**Minimum Wage** To Afford a **1-Bedroom**  
**Rental Home** (at FMR)

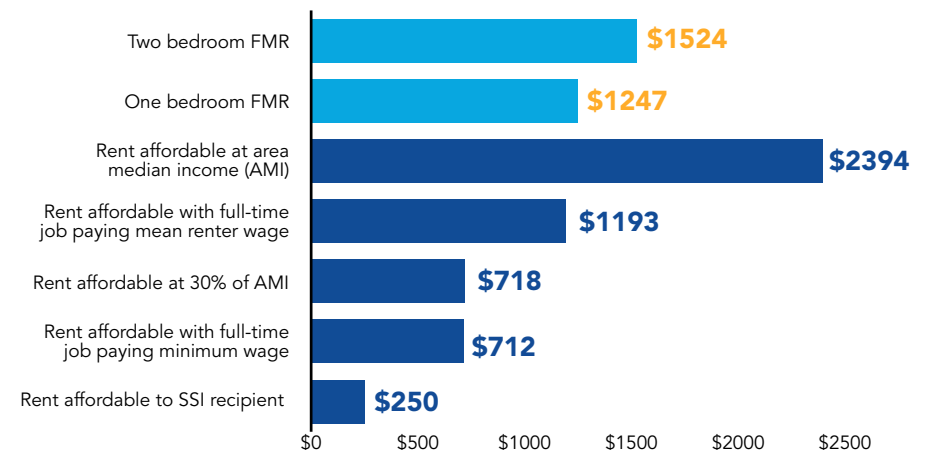
**2.1**  
Number of Full-Time Jobs At  
**Minimum Wage** To Afford a  
**2-Bedroom Rental Home** (at FMR)

**1.8**  
Number of Full-Time Jobs At  
**Minimum Wage** To Afford a  
**1-Bedroom Rental Home** (at FMR)

MOST EXPENSIVE AREAS	HOUSING WAGE
Seattle-Bellevue HMFA	<b>\$36.65</b>
Portland-Vancouver-Hillsboro MSA	<b>\$29.54</b>
Bremerton-Silverdale MSA	<b>\$28.44</b>
Tacoma HMFA	<b>\$28.10</b>
Bellingham MSA	<b>\$23.94</b>

MSA = Metropolitan Statistical Area; HMFA = HUD Metro FMR Area.

\* Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.





FY21 HOUSING  
WAGE

## HOUSING COSTS

AREA MEDIAN  
INCOME (AMI)

## RENTERS

	Hourly wage necessary to afford 2 BR <sup>1</sup> FMR <sup>2</sup>	2 BR FMR	Annual income needed to afford 2 BMR FMR	Full-time jobs at minimum wage to afford 2BR FMR <sup>3</sup>	Annual AMI <sup>4</sup>	Monthly rent affordable at AMI <sup>5</sup>	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2015-2019)	% of total households (2015-2019)	Estimated hourly mean renter wage (2021)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
Washington	\$29.31	\$1,524	\$60,966	2.1	\$95,767	\$2,394	\$28,730	\$718	1,055,157	37%	\$22.94	\$1,193	1.3
Combined Nonmetro Areas	\$17.69	\$920	\$36,793	1.3	\$71,406	\$1,785	\$21,422	\$536	94,049	32%	\$12.64	\$657	1.4
<b>Metropolitan Areas</b>													
Bellingham MSA	\$23.94	\$1,245	\$49,800	1.7	\$79,100	\$1,978	\$23,730	\$593	32,943	38%	\$14.87	\$773	1.6
Bremerton-Silverdale MSA	\$28.44	\$1,479	\$59,160	2.1	\$94,100	\$2,353	\$28,230	\$706	33,457	32%	\$14.16	\$736	2.0
Columbia County HMFA	\$19.96	\$1,038	\$41,520	1.5	\$72,400	\$1,810	\$21,720	\$543	576	32%	\$15.11	\$786	1.3
Kennewick-Richland MSA	\$19.60	\$1,019	\$40,760	1.4	\$78,100	\$1,953	\$23,430	\$586	30,912	31%	\$15.55	\$809	1.3
Lewiston MSA	\$17.02	\$885	\$35,400	1.2	\$72,100	\$1,803	\$21,630	\$541	2,668	29%	\$12.53	\$651	1.4
Longview MSA	\$19.62	\$1,020	\$40,800	1.4	\$71,300	\$1,783	\$21,390	\$535	14,233	34%	\$15.76	\$819	1.2
Mount Vernon-Anacortes MSA	\$23.56	\$1,225	\$49,000	1.7	\$83,200	\$2,080	\$24,960	\$624	15,238	31%	\$16.23	\$844	1.5
Olympia-Tumwater MSA	\$23.87	\$1,241	\$49,640	1.7	\$90,200	\$2,255	\$27,060	\$677	38,075	35%	\$15.72	\$818	1.5
Pend Oreille County HMFA	\$18.50	\$962	\$38,480	1.4	\$58,200	\$1,455	\$17,460	\$437	1,266	22%	\$11.85	\$616	1.6
Portland-Vancouver-Hillsboro MSA	\$29.54	\$1,536	\$61,440	2.2	\$96,900	\$2,423	\$29,070	\$727	58,914	33%	\$17.51	\$911	1.7
Seattle-Bellevue HMFA	\$36.65	\$1,906	\$76,240	2.7	\$115,700	\$2,893	\$34,710	\$868	476,422	41%	\$29.80	\$1,550	1.2
Spokane HMFA	\$19.37	\$1,007	\$40,280	1.4	\$77,100	\$1,928	\$23,130	\$578	76,275	38%	\$15.15	\$788	1.3
Stevens County HMFA	\$16.08	\$836	\$33,440	1.2	\$63,600	\$1,590	\$19,080	\$477	3,839	22%	\$10.79	\$561	1.5
Tacoma HMFA	\$28.10	\$1,461	\$58,440	2.1	\$91,100	\$2,278	\$27,330	\$683	122,460	38%	\$16.98	\$883	1.7
Walla Walla County HMFA	\$21.21	\$1,103	\$44,120	1.5	\$73,100	\$1,828	\$21,930	\$548	7,969	35%	\$12.98	\$675	1.6
Wenatchee MSA	\$21.29	\$1,107	\$44,280	1.6	\$70,900	\$1,773	\$21,270	\$532	14,875	34%	\$13.63	\$709	1.6
Yakima MSA	\$20.08	\$1,044	\$41,760	1.5	\$60,300	\$1,508	\$18,090	\$452	30,986	37%	\$13.17	\$685	1.5

1: BR = Bedroom

2: FMR = Fiscal Year 2021 Fair Market Rent.

3: This calculation uses the higher of the county, state, or federal minimum wage, where applicable.

4: AMI = Fiscal Year 2021 Area Median Income

5: Affordable rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.



FY21 HOUSING  
WAGE

## HOUSING COSTS

AREA MEDIAN  
INCOME (AMI)

## RENTERS

## Counties

	Hourly wage necessary to afford 2 BR <sup>1</sup> FMR <sup>2</sup>	2 BR FMR	Annual income needed to afford 2 BMR FMR	Full-time jobs at minimum wage to afford 2BR FMR <sup>3</sup>	Annual AMI <sup>4</sup>	Monthly rent affordable at AMI <sup>5</sup>	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2015-2019)	% of total households (2015-2019)	Estimated hourly mean renter wage (2021)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
Adams County	\$14.96	\$778	\$31,120	1.1	\$59,200	\$1,480	\$17,760	\$444	2,202	37%	\$15.48	\$805	1.0
Asotin County	\$17.02	\$885	\$35,400	1.2	\$72,100	\$1,803	\$21,630	\$541	2,668	29%	\$12.53	\$651	1.4
Benton County	\$19.60	\$1,019	\$40,760	1.4	\$78,100	\$1,953	\$23,430	\$586	22,484	31%	\$16.58	\$862	1.2
Chelan County	\$21.29	\$1,107	\$44,280	1.6	\$70,900	\$1,773	\$21,270	\$532	10,098	36%	\$14.06	\$731	1.5
Clallam County	\$19.92	\$1,036	\$41,440	1.5	\$76,400	\$1,910	\$22,920	\$573	9,760	30%	\$11.39	\$592	1.7
Clark County	\$29.54	\$1,536	\$61,440	2.2	\$96,900	\$2,423	\$29,070	\$727	57,686	33%	\$17.60	\$915	1.7
Columbia County	\$19.96	\$1,038	\$41,520	1.5	\$72,400	\$1,810	\$21,720	\$543	576	32%	\$15.11	\$786	1.3
Cowlitz County	\$19.62	\$1,020	\$40,800	1.4	\$71,300	\$1,783	\$21,390	\$535	14,233	34%	\$15.76	\$819	1.2
Douglas County	\$21.29	\$1,107	\$44,280	1.6	\$70,900	\$1,773	\$21,270	\$532	4,777	31%	\$12.06	\$627	1.8
Ferry County	\$14.94	\$777	\$31,080	1.1	\$55,600	\$1,390	\$16,680	\$417	857	28%	\$7.75	\$403	1.9
Franklin County	\$19.60	\$1,019	\$40,760	1.4	\$78,100	\$1,953	\$23,430	\$586	8,428	32%	\$12.65	\$658	1.5
Garfield County	\$14.12	\$734	\$29,360	1.0	\$65,900	\$1,648	\$19,770	\$494	280	28%	\$11.25	\$585	1.3
Grant County	\$15.58	\$810	\$32,400	1.1	\$69,500	\$1,738	\$20,850	\$521	11,554	37%	\$14.27	\$742	1.1
Grays Harbor County	\$15.77	\$820	\$32,800	1.2	\$61,500	\$1,538	\$18,450	\$461	9,468	33%	\$12.16	\$632	1.3
Island County	\$20.98	\$1,091	\$43,640	1.5	\$81,000	\$2,025	\$24,300	\$608	9,921	29%	\$13.01	\$676	1.6
Jefferson County	\$18.54	\$964	\$38,560	1.4	\$67,400	\$1,685	\$20,220	\$506	3,786	26%	\$10.95	\$569	1.7
King County	\$36.65	\$1,906	\$76,240	2.7	\$115,700	\$2,893	\$34,710	\$868	379,735	43%	\$31.78	\$1,652	1.2
Kitsap County	\$28.44	\$1,479	\$59,160	2.1	\$94,100	\$2,353	\$28,230	\$706	33,457	32%	\$14.16	\$736	2.0
Kittitas County	\$18.71	\$973	\$38,920	1.4	\$76,000	\$1,900	\$22,800	\$570	7,498	41%	\$9.81	\$510	1.9
Klickitat County	\$17.44	\$907	\$36,280	1.3	\$67,300	\$1,683	\$20,190	\$505	2,840	32%	\$17.44	\$907	1.0
Lewis County	\$17.65	\$918	\$36,720	1.3	\$77,500	\$1,938	\$23,250	\$581	8,988	29%	\$14.36	\$747	1.2
Lincoln County	\$14.12	\$734	\$29,360	1.0	\$64,800	\$1,620	\$19,440	\$486	997	22%	\$13.02	\$677	1.1
Mason County	\$18.25	\$949	\$37,960	1.3	\$76,800	\$1,920	\$23,040	\$576	5,491	23%	\$11.56	\$601	1.6
Okanogan County	\$15.73	\$818	\$32,720	1.1	\$55,200	\$1,380	\$16,560	\$414	6,052	34%	\$9.78	\$508	1.6
Pacific County	\$16.63	\$865	\$34,600	1.2	\$59,900	\$1,498	\$17,970	\$449	1,859	20%	\$9.15	\$476	1.8

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FY21 HOUSING  
WAGE

## HOUSING COSTS

AREA MEDIAN  
INCOME (AMI)

## RENTERS

	Hourly wage necessary to afford 2 BR <sup>1</sup> FMR <sup>2</sup>	2 BR FMR	Annual income needed to afford 2 BMR FMR	Full-time jobs at minimum wage to afford 2BR FMR <sup>3</sup>	Annual AMI <sup>4</sup>	Monthly rent affordable at AMI <sup>5</sup>	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2015-2019)	% of total households (2015-2019)	Estimated hourly mean renter wage (2021)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
Pend Oreille County	\$18.50	\$962	\$38,480	1.4	\$58,200	\$1,455	\$17,460	\$437	1,266	22%	\$11.85	\$616	1.6
Pierce County	\$28.10	\$1,461	\$58,440	2.1	\$91,100	\$2,278	\$27,330	\$683	122,460	38%	\$16.98	\$883	1.7
San Juan County	\$23.38	\$1,216	\$48,640	1.7	\$78,000	\$1,950	\$23,400	\$585	2,098	25%	\$11.97	\$622	2.0
Skagit County	\$23.56	\$1,225	\$49,000	1.7	\$83,200	\$2,080	\$24,960	\$624	15,238	31%	\$16.23	\$844	1.5
Skamania County	\$29.54	\$1,536	\$61,440	2.2	\$96,900	\$2,423	\$29,070	\$727	1,228	25%	\$9.30	\$484	3.2
Snohomish County	\$36.65	\$1,906	\$76,240	2.7	\$115,700	\$2,893	\$34,710	\$868	96,687	33%	\$19.92	\$1,036	1.8
Spokane County	\$19.37	\$1,007	\$40,280	1.4	\$77,100	\$1,928	\$23,130	\$578	76,275	38%	\$15.15	\$788	1.3
Stevens County	\$16.08	\$836	\$33,440	1.2	\$63,600	\$1,590	\$19,080	\$477	3,839	22%	\$10.79	\$561	1.5
Thurston County	\$23.87	\$1,241	\$49,640	1.7	\$90,200	\$2,255	\$27,060	\$677	38,075	35%	\$15.72	\$818	1.5
Wahkiakum County	\$14.77	\$768	\$30,720	1.1	\$65,700	\$1,643	\$19,710	\$493	252	13%	\$10.38	\$540	1.4
Walla Walla County	\$21.21	\$1,103	\$44,120	1.5	\$73,100	\$1,828	\$21,930	\$548	7,969	35%	\$12.98	\$675	1.6
Whatcom County	\$23.94	\$1,245	\$49,800	1.7	\$79,100	\$1,978	\$23,730	\$593	32,943	38%	\$14.87	\$773	1.6
Whitman County	\$16.77	\$872	\$34,880	1.2	\$73,900	\$1,848	\$22,170	\$554	10,146	56%	\$12.42	\$646	1.3
Yakima County	\$20.08	\$1,044	\$41,760	1.5	\$60,300	\$1,508	\$18,090	\$452	30,986	37%	\$13.17	\$685	1.5

1: BR = Bedroom

2: FMR = Fiscal Year 2021 Fair Market Rent.

3: This calculation uses the higher of the county, state, or federal minimum wage, where applicable.

4: AMI = Fiscal Year 2021 Area Median Income

5: Affordable rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.



# APPENDICES





# APPENDIX A: LOCAL MINIMUM WAGES

Locality	Local Minimum Wage (as of 7/1/21)	1 BR Housing Wage	2 BR Housing Wage
Alameda, CA	\$15.00	\$37.19	\$45.83
Albuquerque, NM (1)	\$10.50	\$14.81	\$18.08
Belmont, CA	\$15.90	\$56.21	\$68.33
Berkeley, CA	\$16.32	\$37.19	\$45.83
Burlingame, CA	\$15.00	\$56.21	\$68.33
Chicago, IL (2)	\$15.00	\$21.58	\$24.98
Cook County, IL	\$13.00	\$21.58	\$24.98
Cupertino, CA	\$15.65	\$49.19	\$58.67
Daly City, CA	\$15.00	\$56.21	\$68.33
Denver, CO	\$14.77	\$25.08	\$30.87
El Cerrito, CA	\$15.61	\$37.19	\$45.83
Emeryville, CA	\$17.13	\$37.19	\$45.83
Flagstaff, AZ	\$15.00	\$20.42	\$25.29
Fremont, CA (3)	\$15.25	\$37.19	\$45.83
Half Moon Bay, CA	\$15.00	\$56.21	\$68.33
Hayward, CA (4)	\$15.00	\$37.19	\$45.83
Las Cruces, NM	\$10.50	\$11.60	\$14.12
Los Altos, CA	\$15.65	\$49.19	\$58.67
Los Angeles, CA	\$15.00	\$30.87	\$39.58
Los Angeles County, CA	\$15.00	\$30.87	\$39.58
Malibu, CA	\$15.00	\$30.87	\$39.58
Menlo Park, CA	\$15.25	\$56.21	\$68.33
Milpitas, CA	\$15.65	\$49.19	\$58.67
Minneapolis, MN (5)	\$14.25	\$20.27	\$25.15
Montgomery County, MD (6)	\$15.00	\$29.77	\$33.94
Mountain View, CA	\$16.30	\$49.19	\$58.67
Novato, CA (7)	\$15.24	\$56.21	\$68.33

1. Minimum wage is \$10.50 if employer does not provide benefits, \$9.50 if the employer provides benefits.
2. Minimum wage for firms with more than 20 employees. Minimum wage for firms with fewer employees is \$14.00.
3. Minimum wage for firms with more than 25 employees. Minimum wage for firms with fewer employees is \$15.00.
4. Minimum wage for firms with more than 25 employees. Minimum wage for firms with fewer employees is \$14.00.
5. Minimum wage for firms with more than 100 employees. Minimum wage for firms with fewer employees is \$12.50.
6. Minimum wage for firms with more than 50 employees. Minimum wage is \$14.00 for firms with 11-50 employees and nonprofits, \$13.50 for firms with fewer employees.



Locality	Local Minimum Wage (as of 7/1/21)	1 BR Housing Wage	2 BR Housing Wage
Oakland, CA	\$14.36	\$37.19	\$45.83
Palo Alto, CA	\$15.65	\$49.19	\$58.67
Pasadena, CA	\$15.00	\$30.87	\$39.58
Petaluma, CA	\$15.20	\$29.21	\$38.38
Redwood City, CA	\$15.62	\$56.21	\$68.33
Richmond, CA	\$15.21	\$37.19	\$45.83
Saint Paul, MN (8)	\$12.50	\$20.27	\$25.15
San Carlos, CA	\$15.24	\$56.21	\$68.33
San Diego, CA	\$14.00	\$31.58	\$40.85
San Francisco, CA	\$16.32	\$56.21	\$68.33
San Jose, CA	\$15.45	\$49.19	\$58.67
San Leandro, CA	\$15.00	\$37.19	\$45.83
San Mateo, CA	\$15.62	\$56.21	\$68.33
Santa Clara, CA	\$15.65	\$49.19	\$58.67
Santa Fe, NM	\$12.32	\$18.08	\$20.60
Santa Fe County, NM	\$12.32	\$18.08	\$20.60
Santa Monica, CA	\$15.00	\$30.87	\$39.58
Santa Rosa, CA	\$15.20	\$29.21	\$38.38
SeaTac, WA (9)	\$16.57	\$30.75	\$36.65
Seattle, WA (10)	\$16.69	\$30.75	\$36.65
Sonoma, CA (11)	\$15.00	\$29.21	\$38.38
South San Francisco, CA	\$15.25	\$56.21	\$68.33
Sunnyvale, CA	\$16.30	\$49.19	\$58.67
Washington D.C.	\$15.20	\$29.77	\$33.94

7. Minimum wage for firms with more than 100 employees. Minimum wage is \$15.00 for firms with 26-99 employees, \$14.00 for firms with fewer employees.
8. Minimum wage for firms with over 10,000 employees, and city government workers. Minimum wage is \$12.50 for firms with 100-9,999 employees, \$11 for firms with 6-100 employees, and \$10 for firms with fewer employees.
9. Minimum wage for firms in hospitality and transportation industries.
10. Minimum wage for firms with more than 500 employees. Minimum wage is \$16.69 for firms with fewer than 500 employees and no employer coverage of benefits, \$15.00 for firms with fewer than 500 employees and employer coverage of benefits.
11. Minimum wage for firms with more than 25 employees. Minimum wage for firms with fewer employees is \$14.00.



# APPENDIX B: DATA NOTES, METHODOLOGIES, AND SOURCES

Appendix B describes the data used in [Out of Reach](#). Information on how to calculate and interpret the report's numbers are in the pages "How to Use the Numbers" and "Where the Numbers Come From."

## FAIR MARKET RENT AREA DEFINITIONS

HUD determines Fair Market Rents (FMRs) for metropolitan and rural housing markets across the country. In metropolitan areas, HUD starts with the Office of Management and Budget's (OMB) metropolitan area boundaries to define FMR areas. Since FMR areas are meant to reflect cohesive housing markets, the OMB boundaries are not always preferable. Also, significant changes to OMB metropolitan boundaries can affect current housing assistance recipients. In keeping with OMB's guidance to federal agencies, HUD modifies OMB boundaries in some instances for program administration.

In FY06, HUD's FMR areas incorporated OMB's 2003 overhaul of metropolitan area boundaries. HUD used OMB's new boundaries but modified them if a county (or town) to be added to an FMR area under OMB's definitions had rents or incomes in 2000 that deviated more than 5% from the newly defined metropolitan area. HUD (and [Out of Reach](#)) refers to unmodified OMB-defined areas as Metropolitan Statistical Areas (MSAs) and HUD-modified areas as HUD Metro FMR Areas (HMFAs). OMB's subsequent changes to metropolitan boundaries through 2009 were incorporated into HUD's subsequent FMR areas.

OMB released new metropolitan area boundaries in February 2013. For FY16, HUD elected to apply pre-2013 boundaries to FMR areas except where the post-2013 OMB boundaries resulted in a smaller FMR area. Counties that had been removed from metropolitan areas were treated by HUD as nonmetropolitan counties. Counties that had been added to metropolitan areas were treated by HUD as metropolitan subareas (HMFAs) and given their own FMR if local rent data were statistically reliable. New multi-county metropolitan areas were treated by HUD as individual county metropolitan subareas (HMFAs) if the data were statistically reliable. This is consistent with HUD's objective to allow variation in FMRs locally. These changes resulted in more metropolitan areas in [Out of Reach](#), beginning in 2016.

In cases in which an FMR area crosses state lines, [Out of Reach](#) provides an entry for the area under both states. While the Housing Wage, FMR, and Area Median Income (AMI) values apply to the entire FMR area and will be the same in both states, other data such as the number of renter households, the minimum wage, and renter wages apply only to the portion of the FMR area within that state's borders.

## FAIR MARKET RENTS

The FY21 FMRs are based on five-year 2014-2018 American Community Survey (ACS) data, supplemented with one-year 2018 ACS data. For each FMR area, a base rent is typically set at the 40th percentile of adjusted standard quality two-bedroom gross rents from the five-year ACS. The estimate is considered reliable by HUD if its margin of error is less than 50% of the estimate and is based on at least 100 observations. If an FMR area does not have a reliable estimate from the five-year 2014-2018 ACS, then HUD checks whether the area had a minimally reliable estimate (margin of error was less than 50% of estimate and based on more than 100 observations) in at least two of the past three years. If so, the FY21 base rent is the average of the inflation-adjusted reliable ACS estimates. If an area has not had at least two minimally reliable estimates in the past three years, the estimate for the next largest geographic area is the base for FY21, which for a nonmetropolitan county would be the state nonmetropolitan area.

A recent mover adjustment factor is applied to the base rent. This factor is calculated as the percentage change between the five-year 2014-2018 40th percentile standard quality two-bedroom gross rent, and the one-year 2018 40th percentile recent mover two-bedroom gross rent. The one-year recent mover two-bedroom gross rent is reliable if its margin of error is less than 50% of the estimate and is based on at least 100 observations. If the one-year recent mover two-bedroom gross rent estimate is not reliable, the one-year recent mover gross rent for all-sized units is used. If that is not reliable, the estimate for the next largest geographic area is used. HUD does not allow recent mover factors to lower the base rent.

Statistically reliable local rent surveys are used to estimate rents when their estimates are statistically different from the ACS-based rents. For FY21, the ACS is not used as the base rent or recent mover factors in 21 FMR



areas. HUD currently does not have funds to conduct local rent surveys, so surveys must be paid for by local public housing agencies or other interested parties if they wish for HUD to reevaluate the ACS-based FMRs.

A local or regional CPI update factor is applied to the ACS base rent to adjust for inflation through 2019. A trend factor is then applied to trend the gross rent forward to FY 2021, using local and regional forecasts of the CPI gross rent data.

While the *Out of Reach* report highlights the one-bedroom and two-bedroom FMR, the Out of Reach website includes zero- to four-bedroom FMRs. HUD finds that two-bedroom rental units are the most common and the most reliable to survey, so two-bedroom units are utilized as the primary FMR estimate.

HUD applies bedroom-size ratio adjustment factors to the two-bedroom estimates to calculate FMRs for other bedroom-size units. HUD makes additional adjustments for units with three or more bedrooms to increase the likelihood that the largest families, who have the most difficulty in finding units, will be successful in finding rental units eligible for programs whose payment standards are based on FMRs.

Due to changes in FMR methodology over the years, we do not recommend comparing the current edition of *Out of Reach* with previous ones.

FMRs for each area are available at  
<https://www.huduser.gov/portal/datasets/fmr.html>

HUD's Federal Register notices for FY21 FMRs are available at  
[https://www.huduser.gov/portal/datasets/fmr.html#2021\\_documents](https://www.huduser.gov/portal/datasets/fmr.html#2021_documents)

## NATIONAL, STATE, AND NON-METRO FAIR MARKET RENTS

The FMRs for the nation, states, and state nonmetropolitan areas in *Out of Reach* are calculated by NLIHC and reflect the weighted average FMR for the counties (FMR areas in New England) included in the larger geography. The weight for FMRs is the number of renter households within each county (FMR area in New England) from the five-year 2015-2019 ACS.

## AFFORDABILITY

*Out of Reach* is consistent with federal housing policy in the assumption that no more than 30% of a household's gross income should be consumed by gross housing costs. Spending more than 30% of income on housing is considered "unaffordable."<sup>1</sup>

## AREA MEDIAN INCOME (AMI)

This edition of *Out of Reach* uses HUD's FY21 AMIs. HUD calculates the family AMI for metropolitan areas and nonmetropolitan counties. The Census definition of "family" is two or more persons related by blood, marriage or adoption residing together. This family AMI is not intended to apply to a specific family size.

HUD used special tabulations of five-year 2014-2018 ACS data to calculate the FY21 AMIs. In areas with a statistically reliable estimate from one-year 2018 ACS data, HUD incorporated the one-year data. HUD's standard for a reliable estimate is a margin of error of less than 50% of the estimate and at least 100 observations on which the estimate is based.

Where a statistically reliable estimate from five-year data is not available, HUD checks on whether the area has a minimally reliable estimate (margin of error is less than 50% of the estimate) from any of the past three years. If so, the average of these years is used.

The Congressional Budget Office (CBO) projection of the Consumer Price Index (CPI) was used by HUD to inflate the ACS estimate from 2018 to the mid-point of FY21.

Applying the assumption that no more than 30% of income should be spent on housing costs, *Out of Reach* calculates the maximum affordable rent for households earning the median income and households earning 30% of the median. This is a straight percentage and does not include HUD's adjustments to income limits for federal housing programs.

The median incomes for states and state combined nonmetropolitan areas reported in *Out of Reach* reflect the weighted average of county AMI data weighted by the total number of households from the 2015-2019 ACS.

FY21 family AMI for metropolitan areas and nonmetropolitan counties, the methodology, and HUD's adjustments to subsequent income limits are available at <https://www.huduser.gov/portal/datasets/il.html>

<sup>1</sup> The Housing and Urban-Rural Recovery Act of 1983 made the 30% "rule of thumb" applicable to rental housing assistance program.



## PREVAILING MINIMUM WAGE

*Out of Reach* incorporates the minimum wage in effect as of July 1, 2021. According to the U.S. Department of Labor, the District of Columbia and 30 states have a state minimum wage higher than the federal level of \$7.25 per hour. *Out of Reach* incorporates the higher prevailing state minimum wage in these states. Some local municipalities have a minimum wage that is higher than the prevailing federal or state rate, but local rates associated with sub-county jurisdictions are not fully incorporated into *Out of Reach*.

Among the statistics included in *Out of Reach* are the number of hours and subsequent full-time jobs a minimum wage earner must work to afford the FMR. The national average number of hours a full-time worker earning minimum wage must work to afford the FMR is calculated by taking into account the prevailing minimum wage at the county level (or New England FMR area) and finding the weighted average of hours needed in all counties, weighting counties by their number of renter households. Accordingly that average reflects higher state and county minimum wages but not higher minimum wages associated with sub-county jurisdictions.

If the reader would like to calculate the same statistics using a different wage such as a higher local minimum wage, a simple formula can be used for the conversion:

$$\frac{[\text{hours or jobs at the published wage}] \times [\text{published wage}]}{[\text{alternative wage}]}$$

For example, one would have to work nearly 107 hours per week to afford the two-bedroom FMR in Seattle, WA, if the local minimum wage was equivalent to the State of Washington's rate of \$13.69. However, the same FMR would be affordable with 87.8 hours of work per week under the higher local minimum wage of \$16.69<sup>2</sup> ( $107.1 \times \$13.69 / \$16.69$ ). For further guidance, see "Where the Numbers Come From" or contact NLIHC research staff.

The Department of Labor provides further information on state minimum wages at [www.dol.gov/whd/minwage/america.htm](http://www.dol.gov/whd/minwage/america.htm).

## AVERAGE RENTER WAGE

Recognizing that the minimum wage reflects the earnings of only the lowest-income workers, *Out of Reach* also calculates an estimated mean renter hourly wage. This measure reflects the compensation that a typical renter is likely to receive for an hour of work by dividing average weekly earnings by 40 hours, thus assuming a full-time workweek. Earnings include several non-wage forms of compensation like paid leave, bonuses, tips, and stock options.<sup>3</sup>

The estimated mean renter hourly wage is based on the average weekly earnings of private (non-governmental) employees working in each county.<sup>4</sup> Renter wage information is based on 2019 data reported by the BLS in the Quarterly Census of Employment and Wages. For each county, mean hourly earnings are multiplied by the ratio of median renter household income to median household income from the five-year 2015-2019 ACS to arrive at an estimated average renter wage. In 22 counties nationwide, the median renter household income exceeds the median household income. Nationally, median renter household income was 64% of the median household income.

An inflation factor was applied to the estimated mean renter hourly wage to adjust from 2019 to FY21. The inflation factor ( $262.509 \div 255.65$ ) was based on the CBO February 2021 forecast of the national CPI for FY21.

In approximately 14% of counties or county equivalents (including Puerto Rico), the renter wage is below the federal, state, or local minimum wage. One explanation is that workers in these counties likely average fewer than 40 hours per week, but the mean renter wage calculation assumes weekly compensation is the product of a full-time work week. For example, mistakenly assuming earnings from 20 hours of work were the product of a full-time workweek would underestimate the actual hourly wage by half, but it would still accurately reflect the true earnings.

Wage data from the Quarterly Census of Employment and Wages are available through the Bureau of Labor Statistics at [www.bls.gov/cew/home.htm](http://www.bls.gov/cew/home.htm).

<sup>3</sup> Please note this measure is different from median renter household income, which reflects an estimate of what renter households are earning today and includes income not earned in relation to employment.

<sup>4</sup> Renter wage data for some counties are not provided in *Out of Reach* either because the BLS could not disclose the data for confidentiality reasons or because the number of employees working in the county was insufficient to estimate a reliable wage.

<sup>2</sup> National Employment Law Project (2020). *Raises from Coast to Coast in 2021*.



## MEDIAN RENTER HOUSEHOLD INCOME

Median renter household income is from the 2015-2019 ACS projected forward to FY21 based on the CBO February 2021 forecast of the national CPI for FY21.

## WORKING HOURS

Calculations of the Housing Wage and of the number of jobs required at the minimum wage or mean renter wage to afford the FMR assume that an individual works 40 hours per week, 52 weeks each year, for a total of 2,080 hours per year. Seasonal employment, unpaid sick leave, temporary lay-offs, job changes, and other leave prevent many individuals from maximizing their earnings throughout the year. According to the Bureau of Labor Statistics, as of April 2021, the average wage earner in the U.S. worked 35.0 hours per week.<sup>5</sup>

Not all employees have the opportunity to translate an hourly wage into full-time, year-round employment. For these workers, the Housing Wage underestimates the actual hourly compensation needed to afford the FMR. Conversely, some households include multiple wage earners. For these households, a home renting at the FMR would be affordable even if each worker earned less than the area's stated Housing Wage, as long as their combined wages exceed the Housing Wage for at least 40 working hours per week.

## SUPPLEMENTAL SECURITY INCOME (SSI)

*Out of Reach* compares rental housing costs with the rent affordable to individuals receiving Supplemental Security Income (SSI) payments. The national numbers are based on the maximum federal SSI payment for individuals in 2021, which is \$794 per month. *Out of Reach* calculations for states include state supplemental payments that benefit all individual SSI recipients in 22 states where the Social Security Administration (SSA) reports the supplemental payment amount.

Supplemental payments provided by other states and the District of Columbia are excluded from *Out of Reach* calculations. For some, these payments are administered by the SSA but are available only to populations with specific disabilities, in specific facilities, or in specific household

settings. For the majority, however, the supplements are administered directly by the states, so the data are not readily available if they haven't been reported to the SSA. The only four states that do not supplement federal SSI payments are Arizona, Mississippi, North Dakota, and West Virginia. Residents of Puerto Rico cannot receive federal SSI payments.

Information on SSI payments is available from the Social Security Administration at <https://www.ssa.gov/OACT/COLA/SSI.html>.

The Technical Assistance Collaborative, Inc., publishes *Priced Out*, which compares FMRs with the incomes of SSI recipients. The most recent edition can be found at <http://www.tacinc.org/knowledge-resources/priced-out-v2/>

## ADDITIONAL DATA AVAILABLE ONLINE

The print / PDF version of *Out of Reach* contains limited data in an effort to present the most important information in a limited number of pages. Additional data can be found online at <http://www.nlihc.org/orr>.

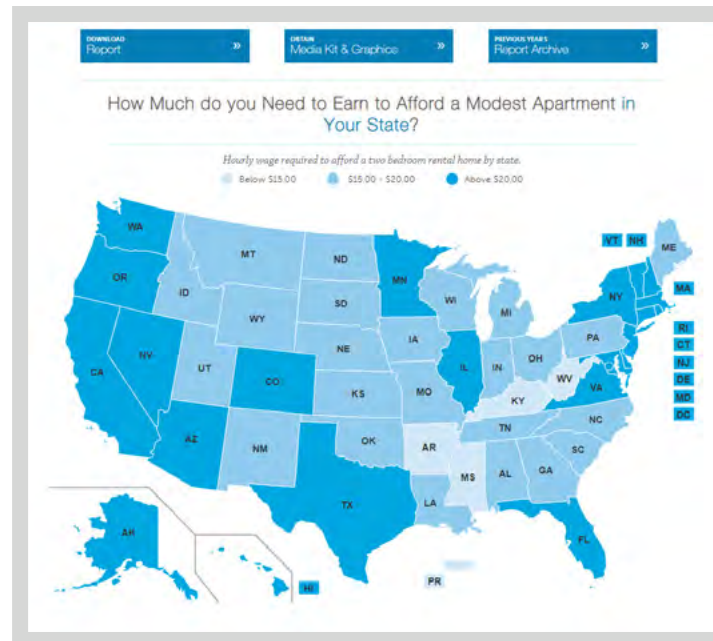
The *Out of Reach* methodology was developed by Cushing N. Dolbear, founder of the National Low Income Housing Coalition.

<sup>5</sup> Bureau of Labor Statistics. (2021). *The employment situation – April 2021*. Washington, D.C.: U.S. Department of Labor.



# ADDITIONAL LOCAL DATA CAN BE FOUND ONLINE AT [WWW.NLIHC.ORG/OOR](http://WWW.NLIHC.ORG/OOR)

The Print / PDF version of *Out of Reach* contains limited data in an effort to present the most important information in a limited number of pages.





# OUT<sub>of</sub> REACH 2021

THE HIGH COST OF HOUSING

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NATIONAL LOW INCOME  
HOUSING COALITION

Data for other states, metropolitan areas, counties, and zip codes can be found at

**NLIHC.ORG/OOR**



# 2021 OUT<sub>of</sub> REACH



NATIONAL LOW INCOME  
HOUSING COALITION

1000 VERMONT AVE, NW,  
SUITE 500  
WASHINGTON, DC 20005  
P: 202.662.1530  
F: 202.393.1973  
NLIHC.ORG

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# Pierce County Homeless Services Assessment

Final Presentation to Council  
February 23, 2022



1. Background and purpose of the study
2. Report findings and recommendations
  1. Trends in homelessness in Pierce County
  2. Inflows into homelessness
  3. Pierce County's homelessness system
  4. Financial analysis
  5. Prioritizing near-term investments in Pierce County



# Background and Purpose



# The Ad Hoc Committee Resolution

## **A Resolution of the Pierce County Council Establishing the Comprehensive Plan to End Homelessness Ad Hoc Committee to Facilitate Further Planning to End Homelessness.**

**Whereas**, the Pierce County Council adopted the Five-Year Strategic Plan to Address Homelessness through Resolution No. R2020-29 on May 12, 2020; and

**Whereas**, the Pierce County Human Services Department and partner organizations have made substantial progress toward addressing homelessness through systems improvements, consistent with the Five-Year Strategic Plan; and

**Whereas**, the Pierce County Council is committed to building immediate capacity in Pierce County's homelessness response system so that every person enduring homelessness has access to safe shelter by November 1, 2021; and



# Key Questions addressed by the Study

1. How many individuals and households are experiencing homelessness in Pierce County? Via what counting methods?
2. What characterizes inflows to, and exits from, homelessness?
3. What programs and services are most / least effective?
4. What macroeconomic influences affect homelessness, and how do these affect programming?
5. How much is Pierce County spending to resolve homelessness?
6. Where should Pierce County prioritize its investments?



# Alignment with Pierce County Comprehensive Plan

- This report supports and complements the Comprehensive Plan with a focus on system-wide changes deeper assessment of the following topics:
  - Research identifying the macroeconomic drivers of homelessness,
  - Research on program effectiveness at helping people exit homelessness
  - Research on the indirect costs of homelessness, and
  - An analysis of the sources and uses of funds to address homelessness flowing through Pierce County.
- This report also offers recommendations at how the County can improve its homelessness services given current economic and housing market trends in Pierce County,



# Report Findings and Recommendations



1. Trends in Homelessness in Pierce County
2. Inflows into Homelessness
3. Pierce County's Homelessness System
4. Financial Analysis
5. Where should Pierce County Prioritize its Near-Term Investments?



- In December 2021, we conducted three focus groups.
  - Two focus groups were in-person with adults who had received homelessness services in Pierce county. We spoke with nine clients in all. All were stably housed when we met with them.
  - The third focus group was held virtually with providers who work at organizations that assist people experiencing homelessness.
- Both the clients and providers lived and/or worked in Pierce County. The providers were selected because they had, at some point in their lives, also experienced homelessness.



# Trends in Homelessness in Pierce County



## HMIS Counts

- Unduplicated counts of individuals who interacted with the homelessness system
- HMIS data provide a far more comprehensive picture of the homeless population in Pierce County

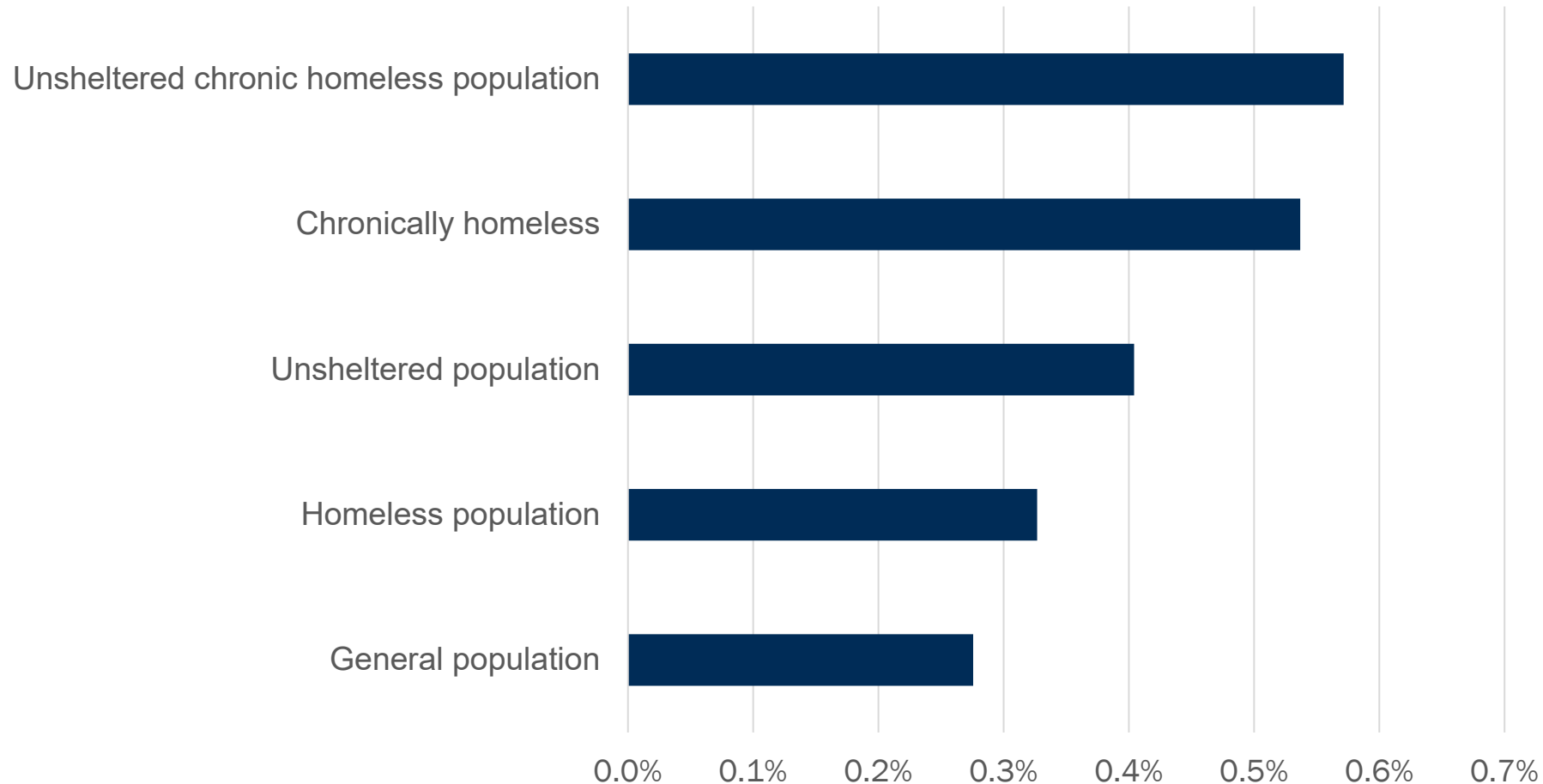
## PIT Counts

- One-day count conducted in a single night in January that captures the characteristics and situations of people living without permanent housing
- Limited comparability over time and across regions



# Pierce County's unsheltered population is disproportionately large

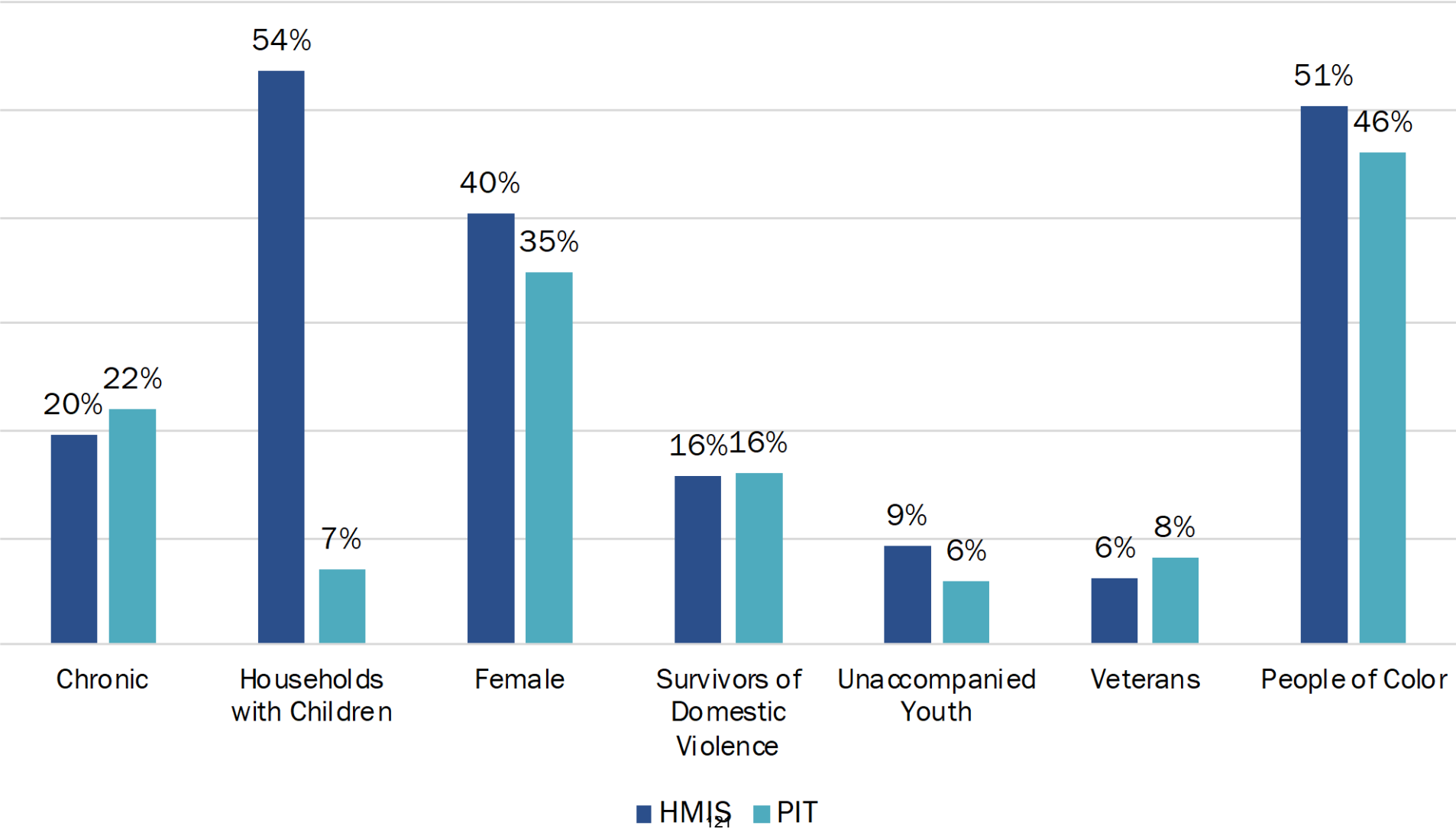
Selected Pierce County Populations Expressed as a Share of the U.S. Population



Source: ECONorthwest calculated using U.S. HUD (2020) and U.S. Census data (2019)

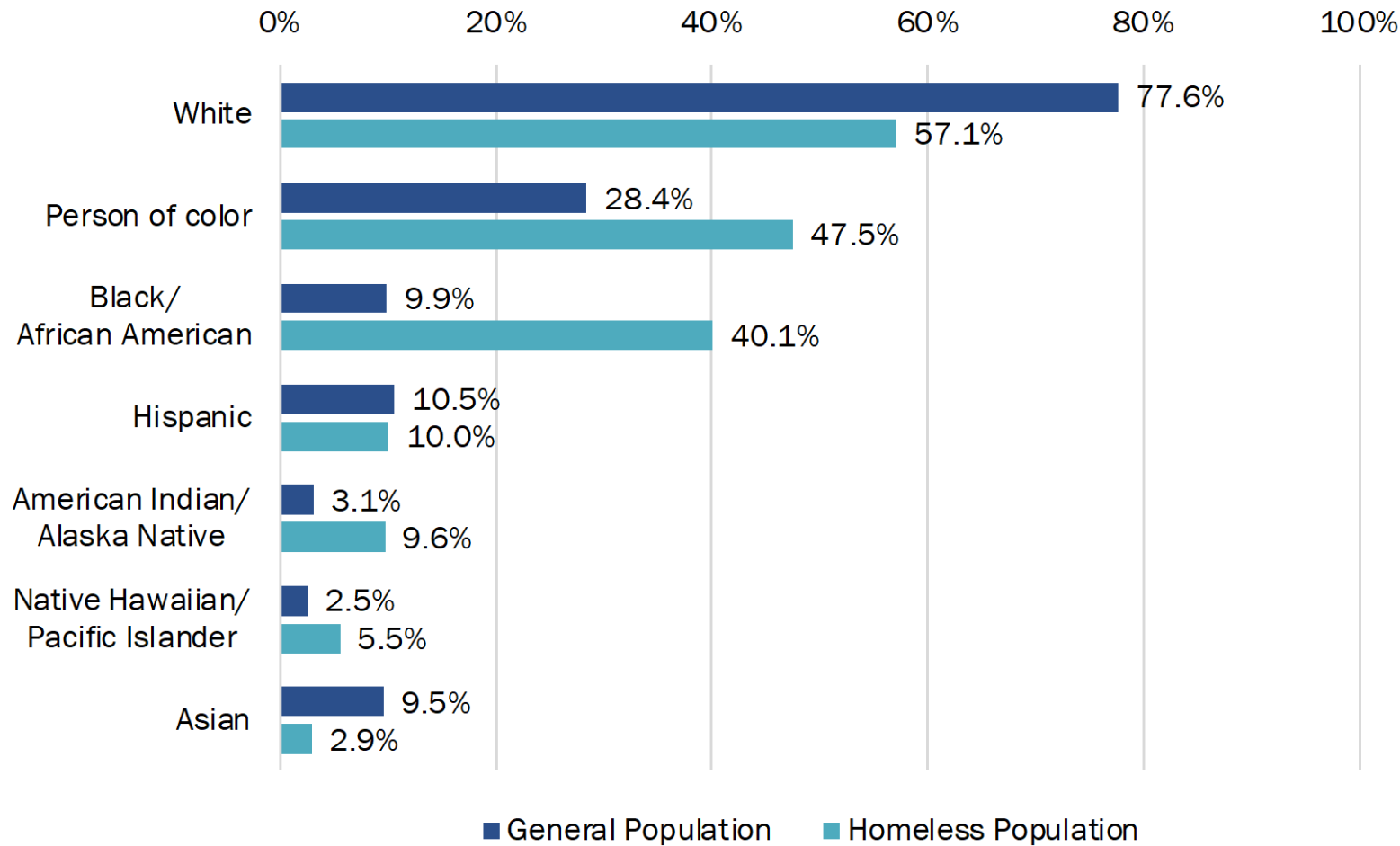


# Characteristics of the Homeless Population Differ between PIT and HMIS Shares by Category (Pierce County, 2020)





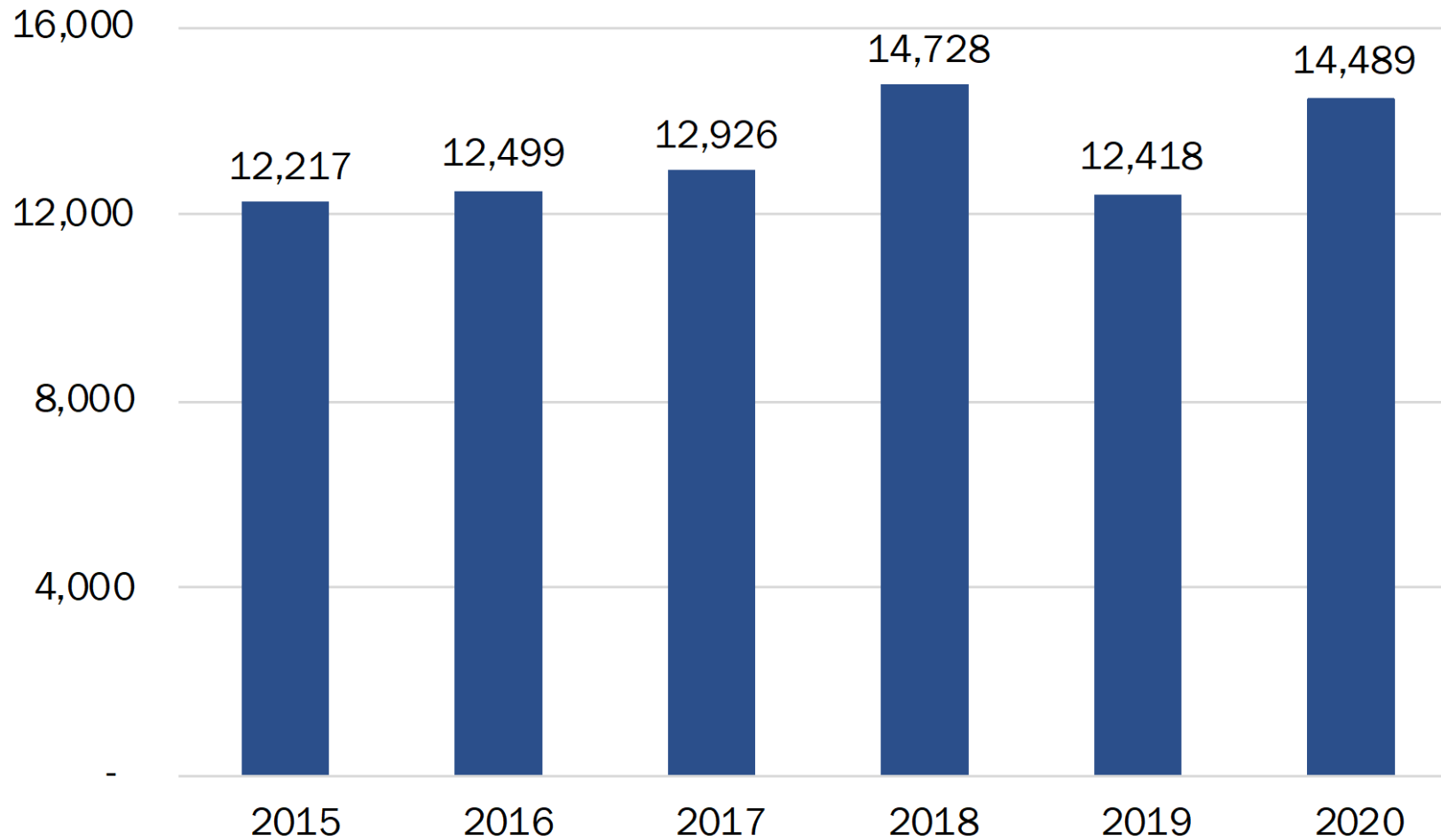
# People of color disproportionately experience homelessness in Pierce County (circa 2020)



- People of color are over-represented among the homeless population by a factor of 1.7.
- The share of homeless individuals who identify as Black is 4 times the share for the County population overall.
- Hispanic individuals are about equally represented in the homeless and general populations.



# Homelessness Trends in Pierce County HMIS Counts



- HMIS-based counts suggest a decline of about 16% in the number of people experiencing homelessness in 2019
- This short trend reversed in 2020, with the number of homeless individuals returning to 2018 levels.
- The count for 2020 is 19% higher than that for 2015.



# Inflows into Homelessness



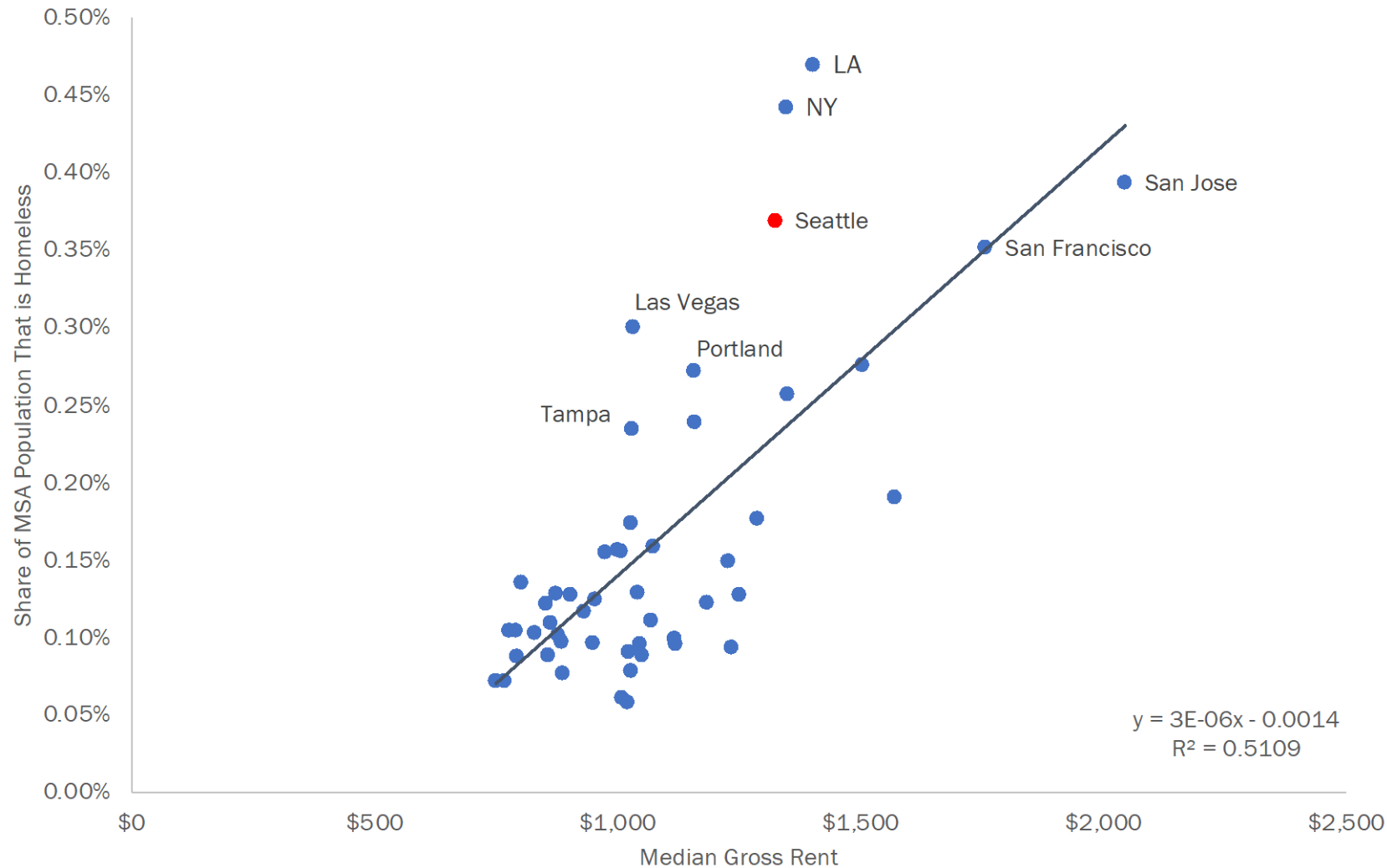
- Housing Market Factors Influencing Homelessness
  - Inadequate supply and continuing underproduction of housing
  - Rents rising faster than incomes
- Behavioral Factors Influencing Homelessness
  - Substance use disorder
  - Comorbidity and chronic illnesses
  - Mental health condition



# Housing Market Factors



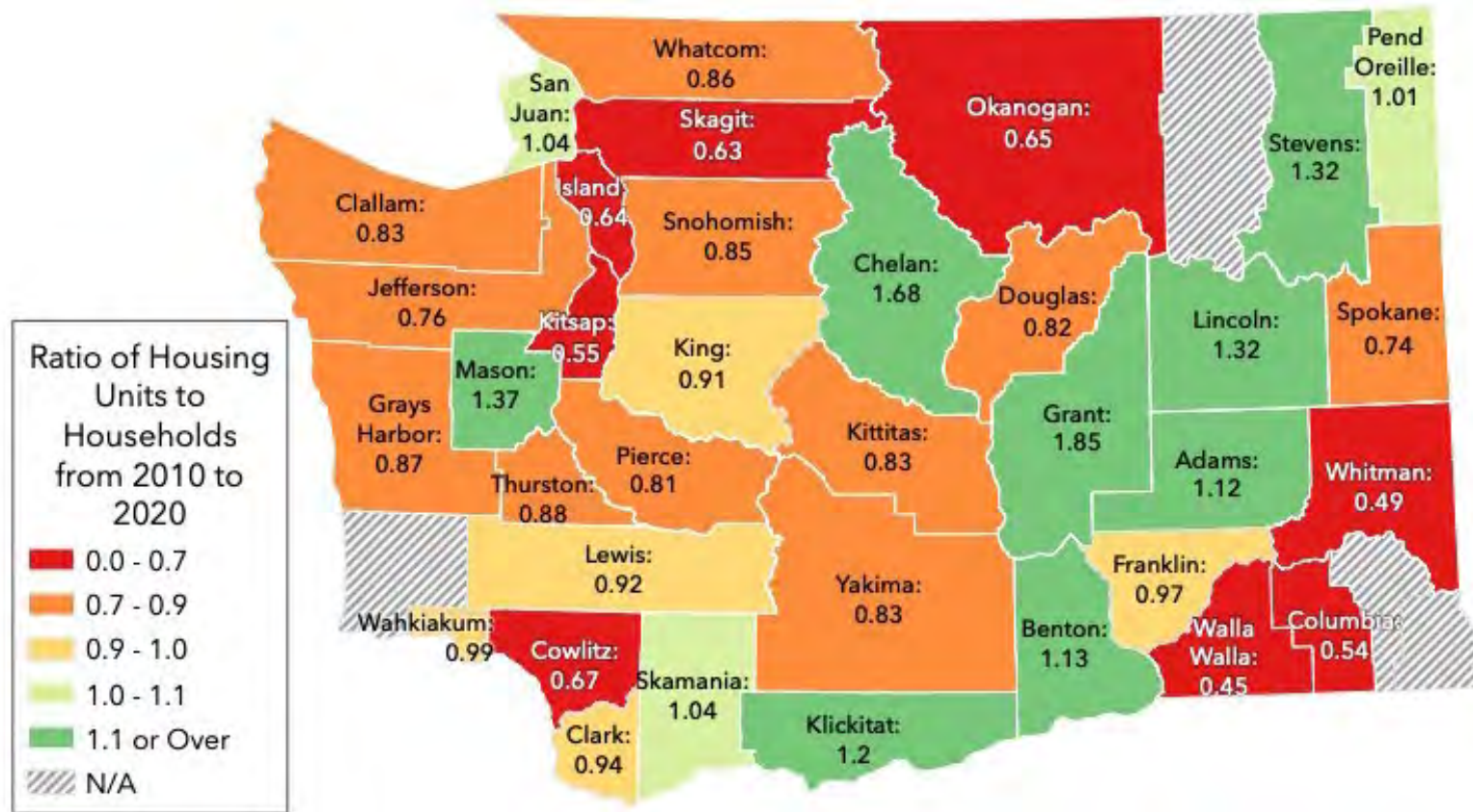
# High Rents Correlate with High Rates of Homelessness



- A U.S. GAO analysis found that a \$100 increase in the median rent resulted in a 9 percent increase in the incidence of homelessness in a CoC.
- Increases to the share of housing stock were related to decreases in the rate of homelessness.
- The study controlled for a variety of housing, demographic, and economic variables .



# Ratio of Change in Housing Units Vs. Households, 2010-2020

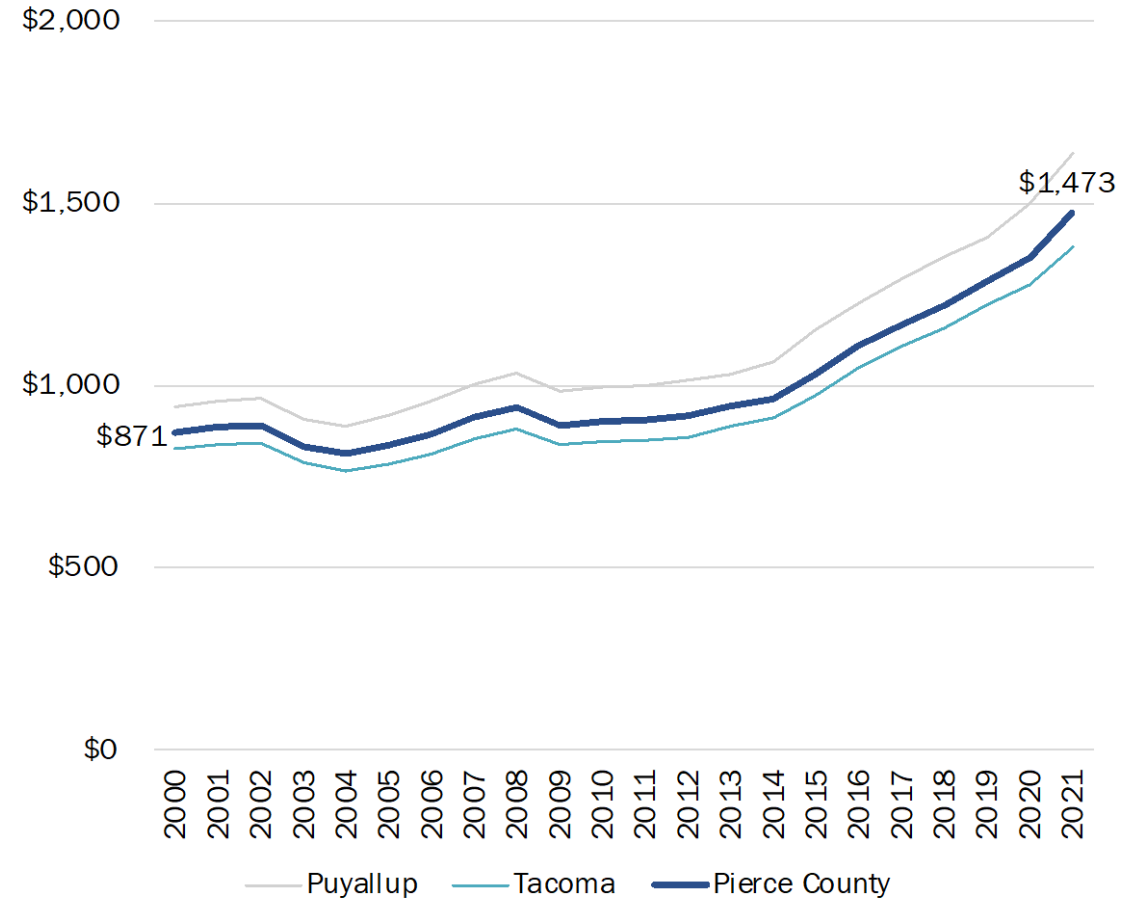
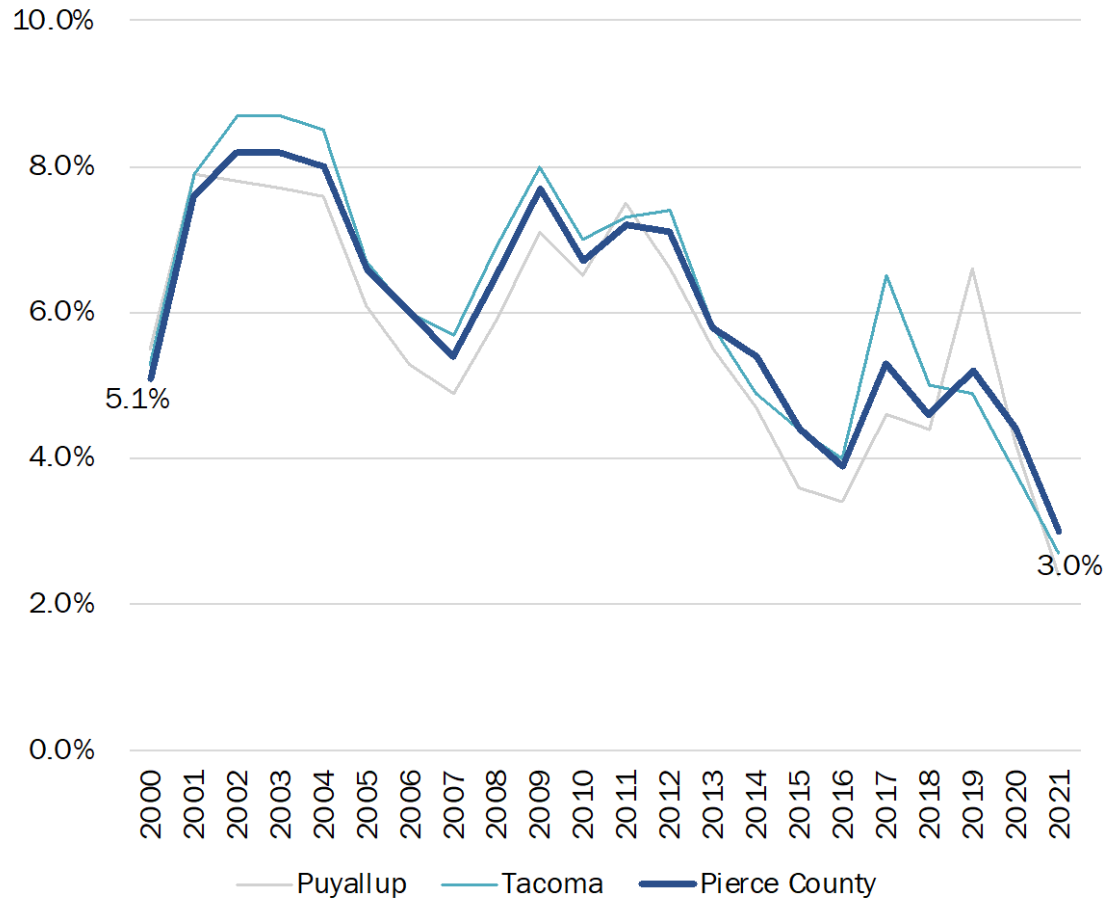


- For every 100 households formed in Pierce County between 2010 and 2020, only 81 housing units were added (ratio of 0.81)
- A ratio of 1.1 is considered adequate to provide a reasonable vacancy rate



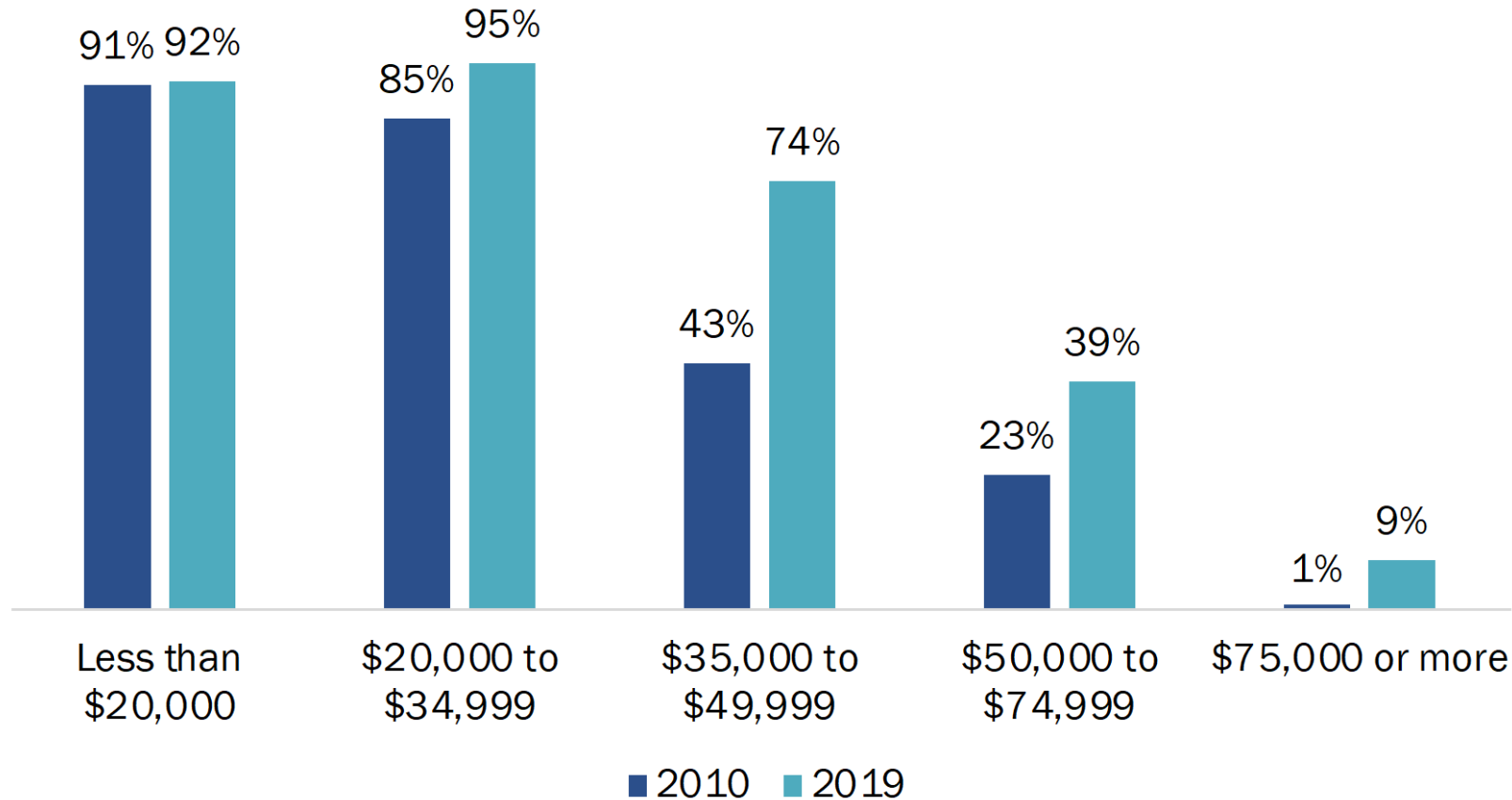
# Multifamily Vacancy and Effective Rents Over Time

## Indicate Increasingly Tight Housing Market





# Cost-burdened Households More Common in 2019 than in 2010 Across the Income Distribution



- Strongest predictors of homelessness include (Shinn & Cohen, 2019):
  - Prior homelessness
  - “Doubling-up”
  - Pending eviction
  - Receiving public assistance
  - Debt



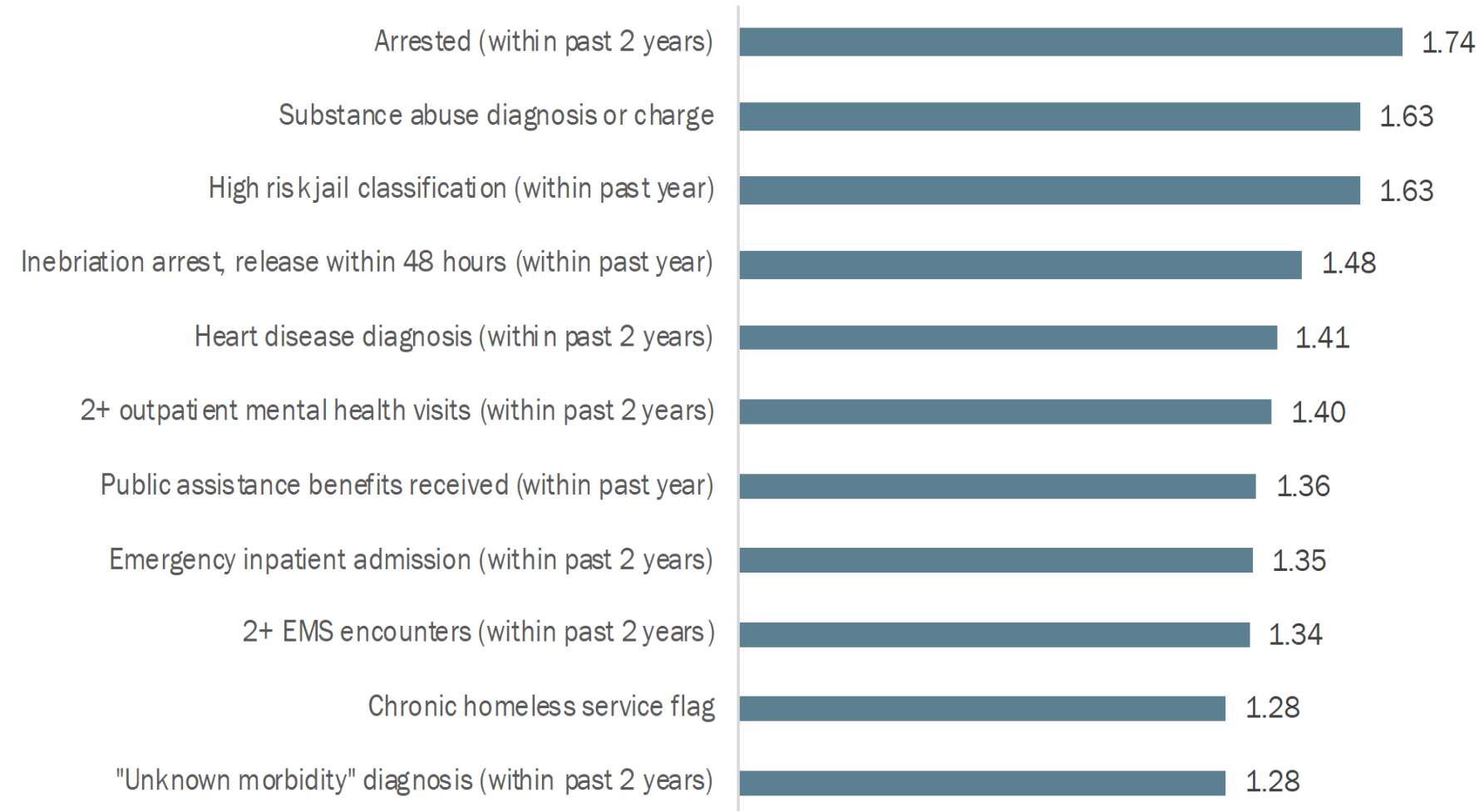
- Focus group participants emphasized barriers they face in the housing market and how these barriers play into entering homelessness.
  - Low vacancy rates, high rents, and selective or discriminatory landlords make finding housing harder
  - Tight housing market conditions also make supply-based assistance programs such as subsidies and housing vouchers less effective
  - Some participants reported that high medical needs and costs for both adults and dependents compounded their difficulties affording market rents



# Behavioral Factors



# Characteristics Predictive of Homelessness in Santa Clara County, CA



- Homelessness results from coinciding personal circumstances and structural factors
- Screening tools can quantify the relative importance of individual characteristics
- In a world of scarce resources, these tools can help triage individuals seeking help



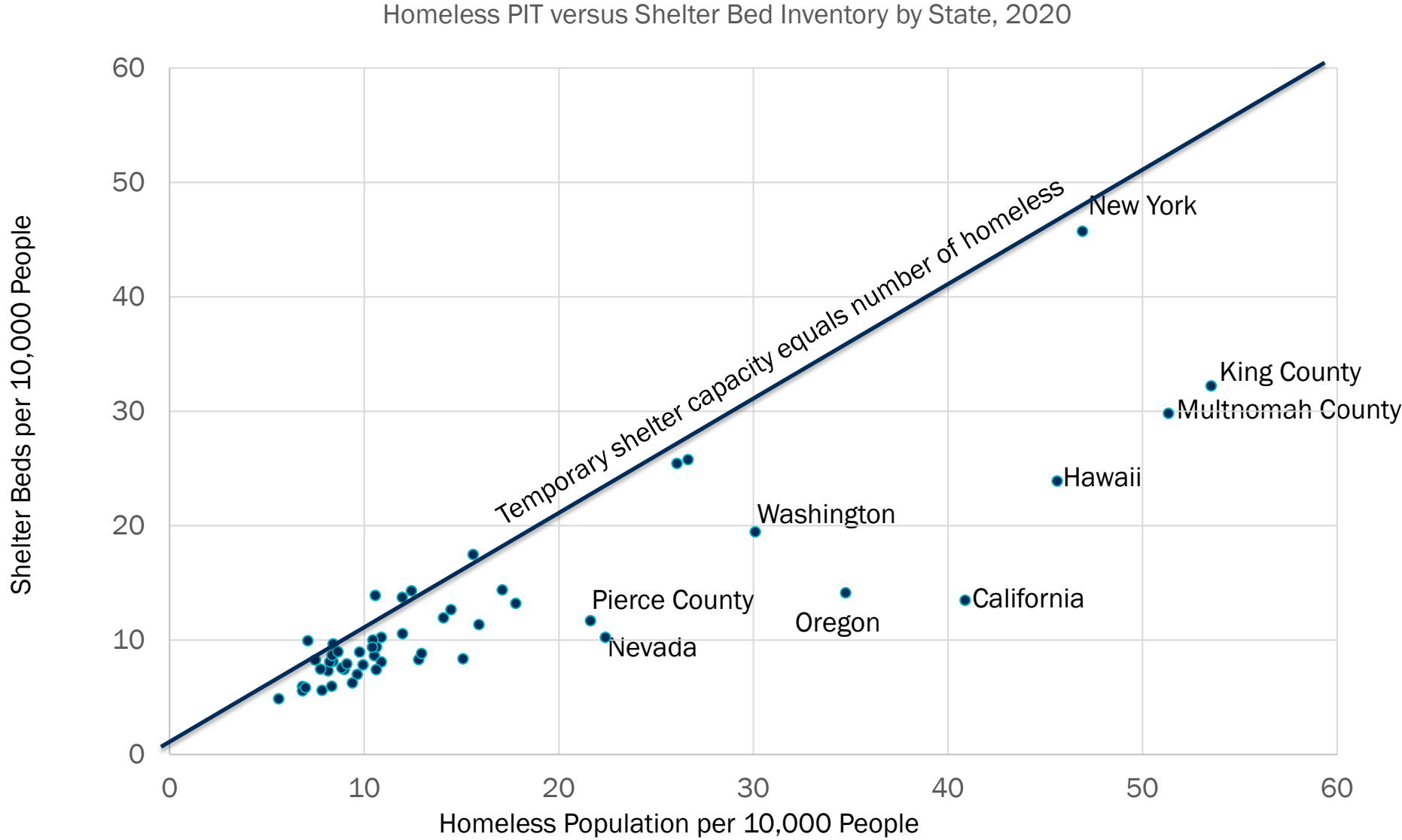
- Participants suggested that their ability to find stable housing was lowered if they had:
  - Lower credit scores
  - Any prior evictions
  - A criminal history
  - Lack of consistent rental history
  - Insufficient stable income (3 times the rent)



# Pierce County's Homelessness System



# West Coast: High rates of homelessness and low bed inventory

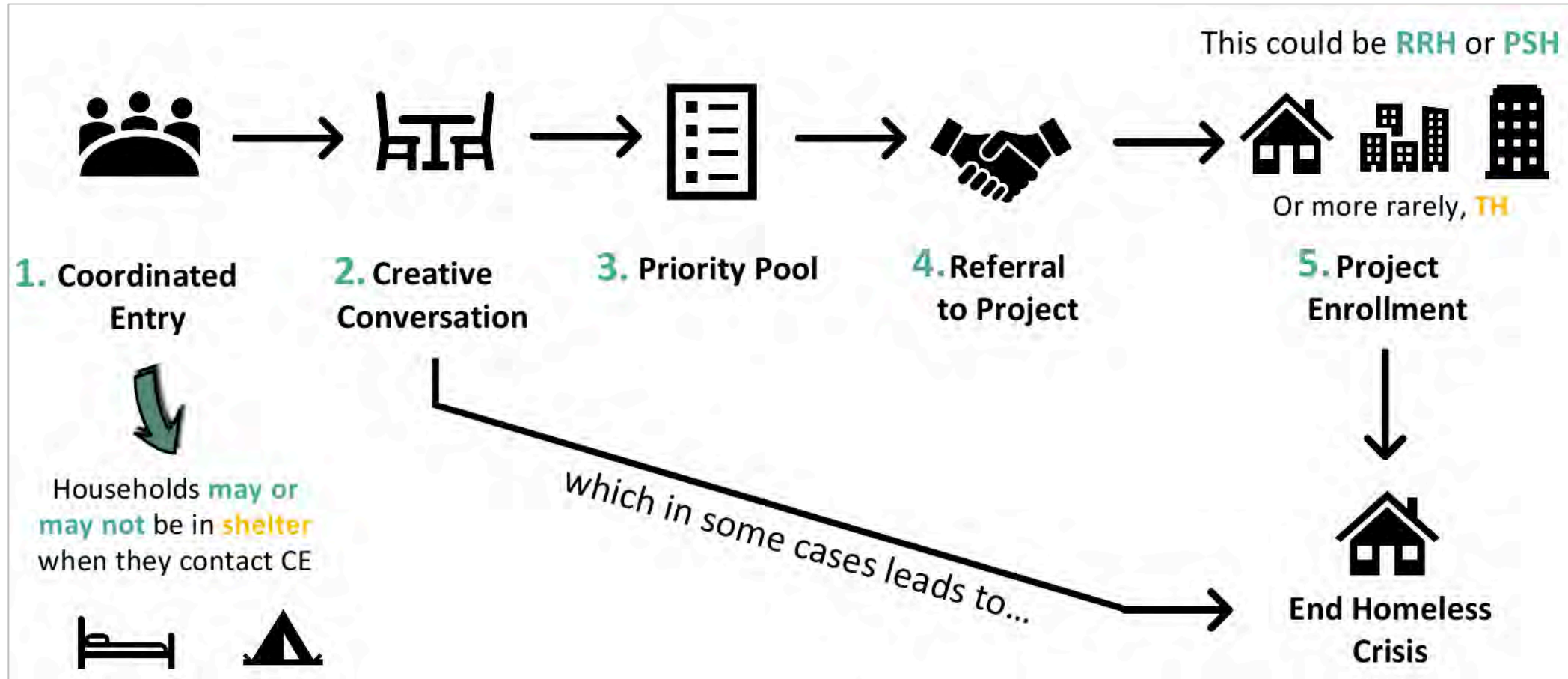


Source: ECONorthwest analysis of HUD 2020 Point-In-Time Counts, HUD 2020 Housing Inventory Counts, and U.S. Census Bureau 2020 Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico. 176 28

Notes: Shelter beds per 10,000 people include all year round emergency shelter beds, transitional housing units, and safe haven beds for currently homeless individuals divided by state population. Line demonstrates a relationship of 1:1 shelter bed to individual experiencing homelessness (line is not the line of best fit to the data).



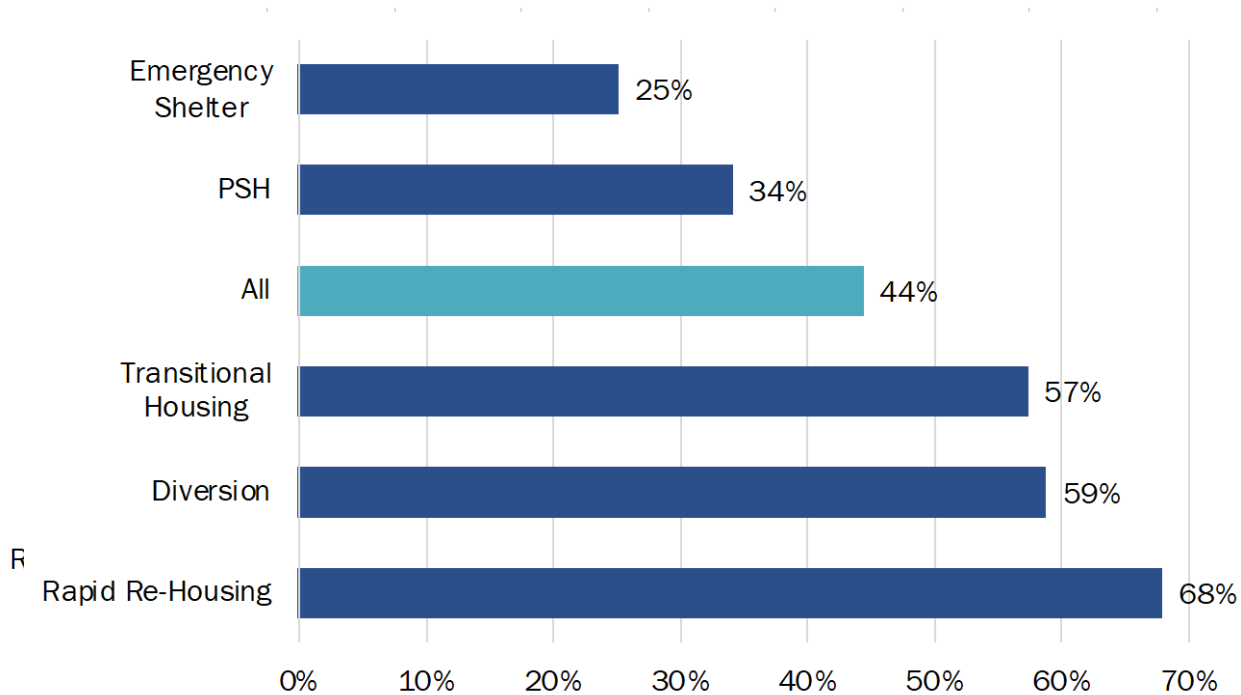
# Pierce County's Current Homelessness System



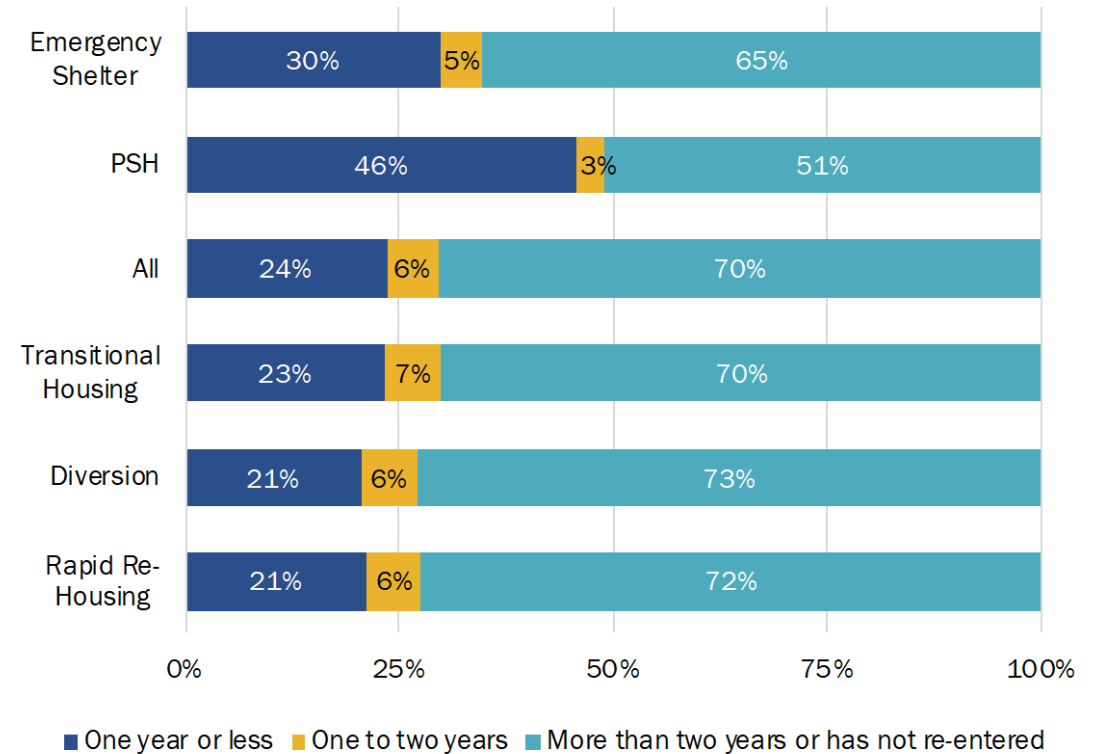


# Outcomes Vary Across Interventions

## Successful Exits from Homeless Services, 2020



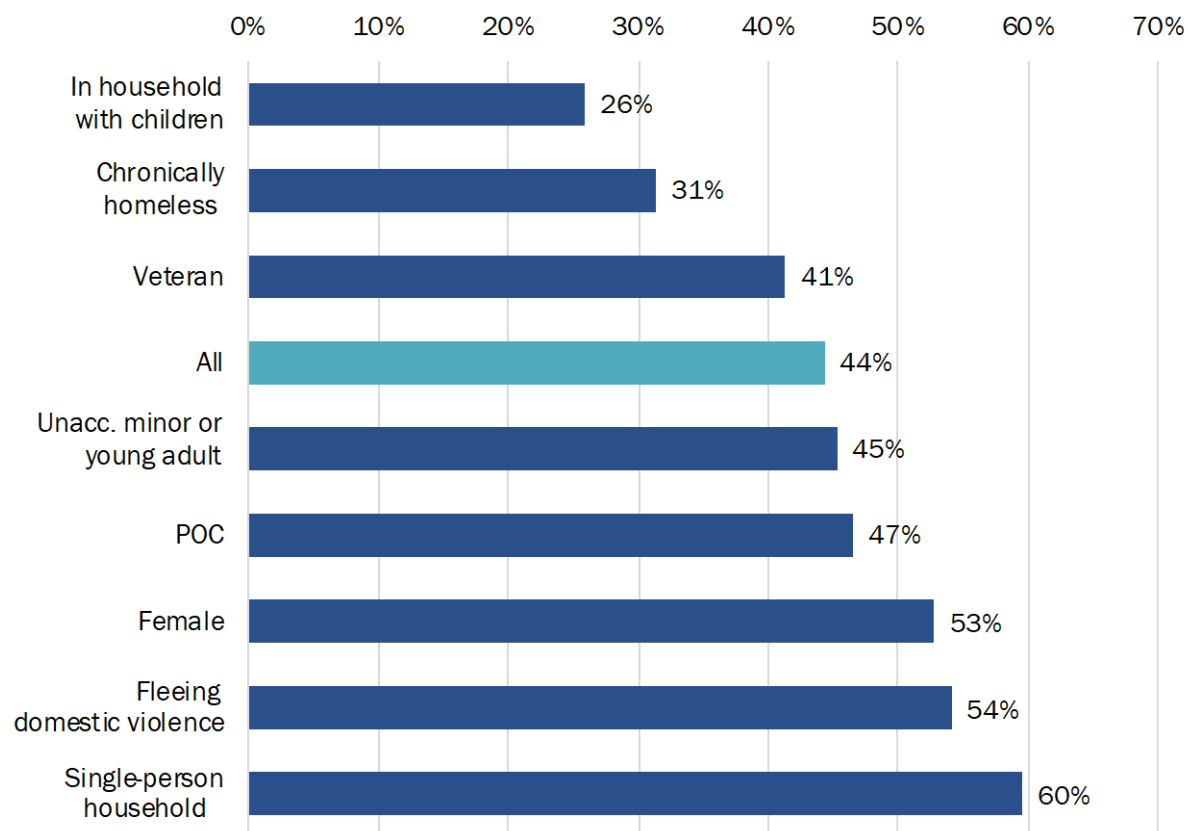
## Time until reentry, 2018 successful exits



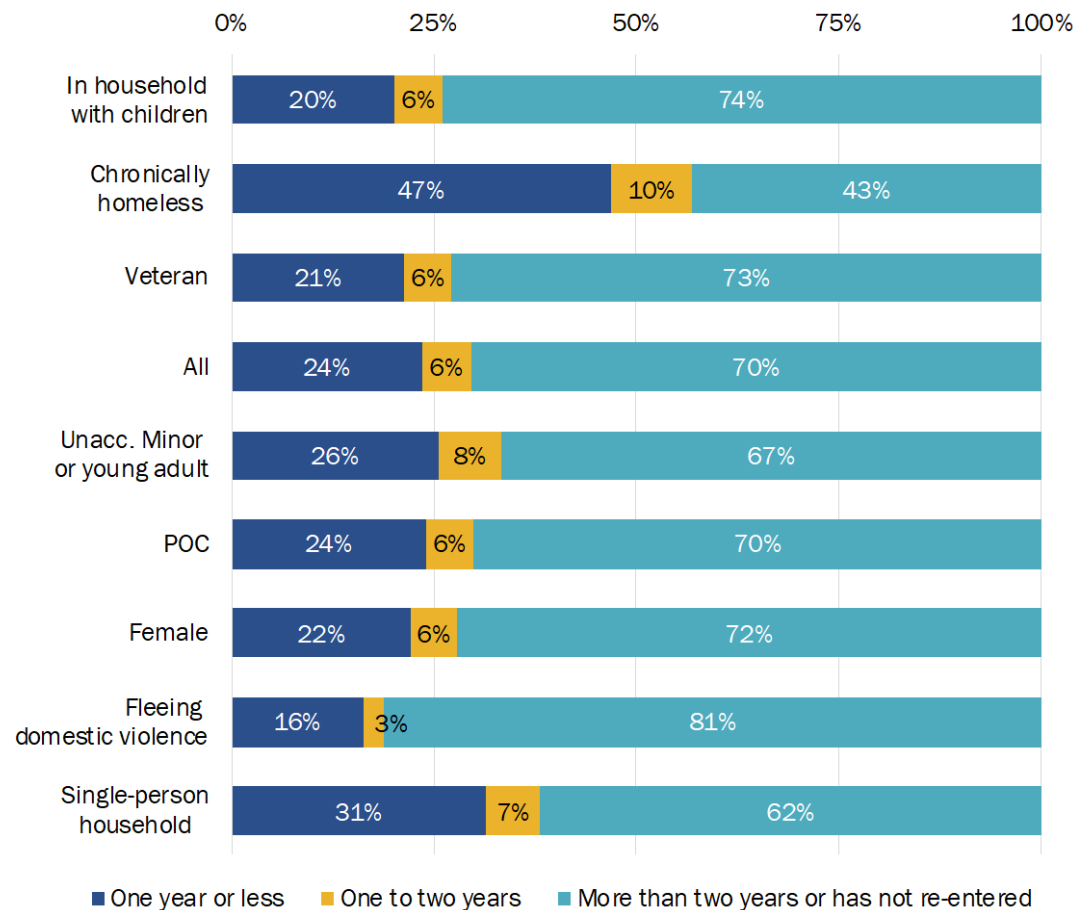


# Outcomes Vary with Client Characteristics

## Successful Exits from Homeless Services, 2020



## Time until reentry, 2018 successful exits





- Participants expressed frustration with only being able to apply for homelessness prevention assistance when they had a pending eviction
- Participants stressed the importance of their relationship with their caseworkers in navigating the complex homelessness system
- Providers indicated that higher wages, lower caseloads, and more flexibility to help clients outside of the tight constraints of the “funding rules” would make their jobs easier and result in better client outcomes



- Participants also described Pierce County's homelessness system as “all-or-nothing” support systems
  - Once participants were prioritized for County services usually through an impending eviction, by reporting drug use, having severe mental or physical health conditions, having young children to care, the system met their needs well
  - Client participants also discussed how challenging life was before they accessed services, describing receiving services as like winning the lottery
  - Clients also noted concerns about the “benefits cliff” that occurs when they have services but increase their working hours, income, or both



- Before receiving housing services, many participants cycled in and out of shelters and struggling to find shelters with open beds.
- Clients discussed the numerous barriers at shelters, such as:
  - Not being allowed to bring pets,
  - Having more children than were allowed (only two were allowed in this example),
  - Having their belongings stolen,
  - Adhering to strict schedules, and
  - Generally feeling disrespected in that environment.
- Clients also stressed the need to access the “right” level of services, such as better access to addiction and mental health services



# Financial Analysis



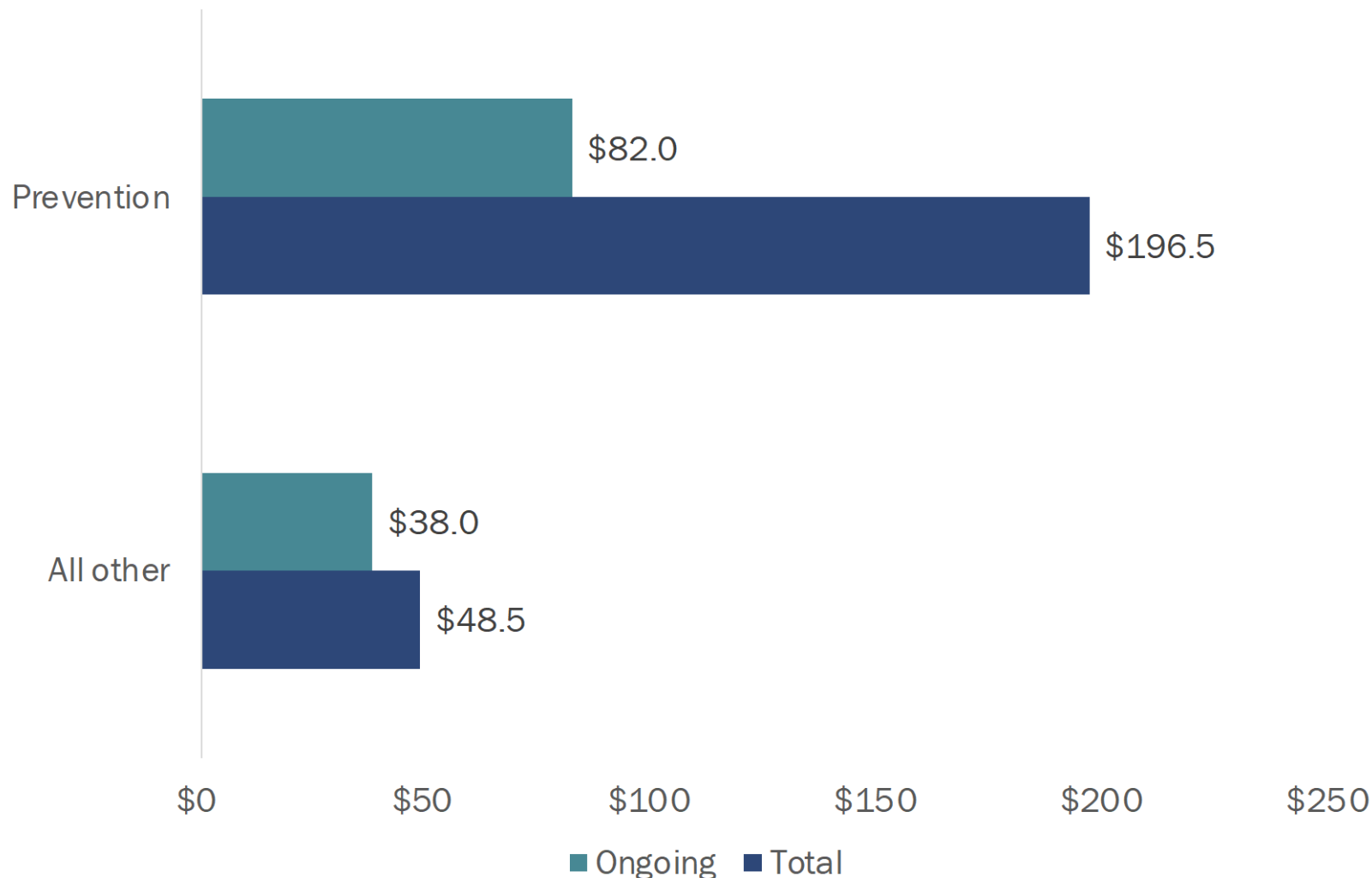
- Direct spending: Analysis of sources and uses of funds for homelessness services
- Indirect spending: Review of literature addressing additional costs of homelessness
- Scenario analysis: Resources needed to provide shelter for all homeless individuals



# Direct Spending on Homelessness



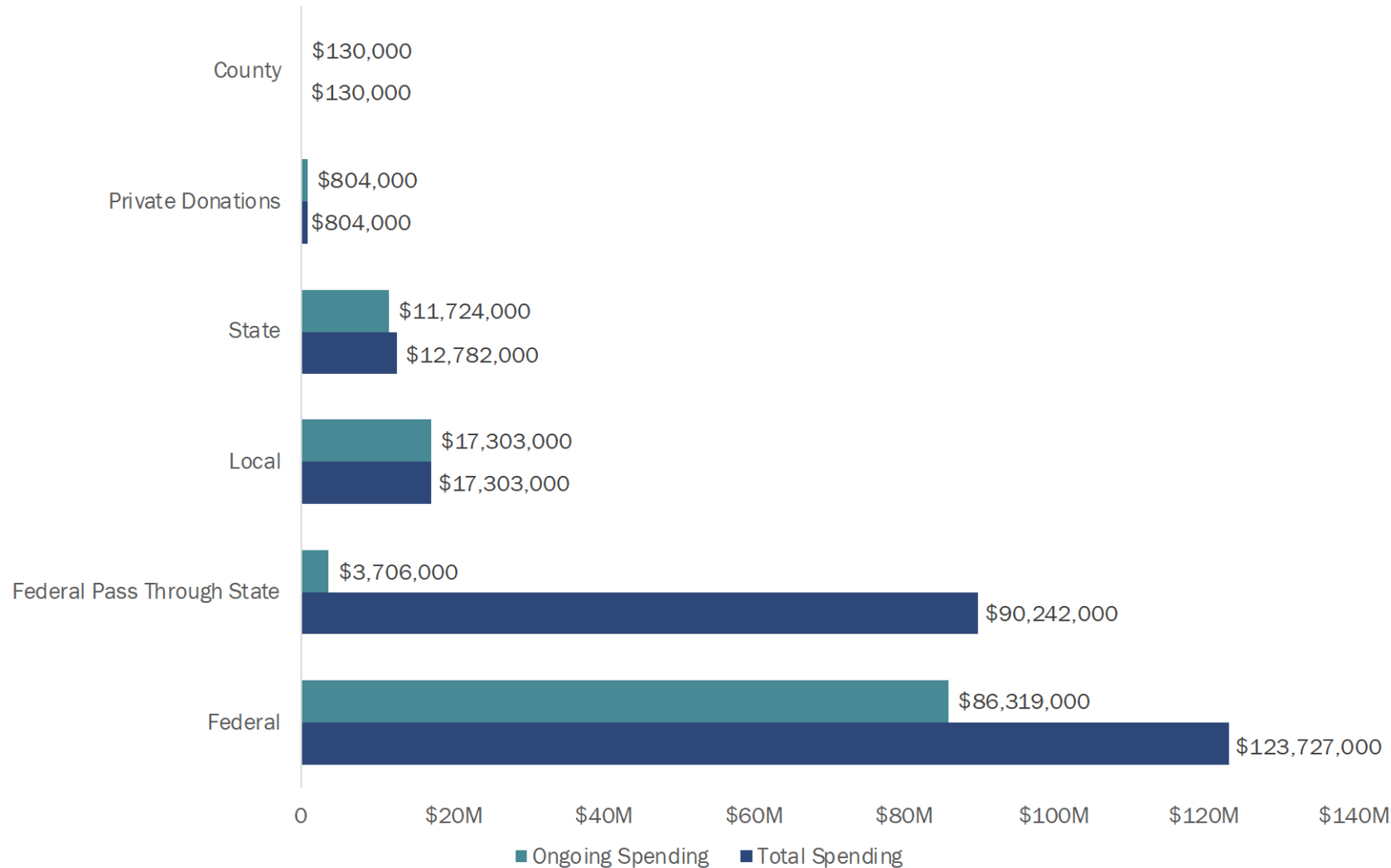
# Pierce County Homelessness Spending, 2021



- Total operating funds identified: \$245m
- Analysis extends beyond the “traditional” homeless services:
  - Prevention
  - McKinney-Vento
  - Private donations
- Total includes ongoing funding sources and large one-time resources (\$125m), primarily ARPA (\$91m) and CARES (\$25m)



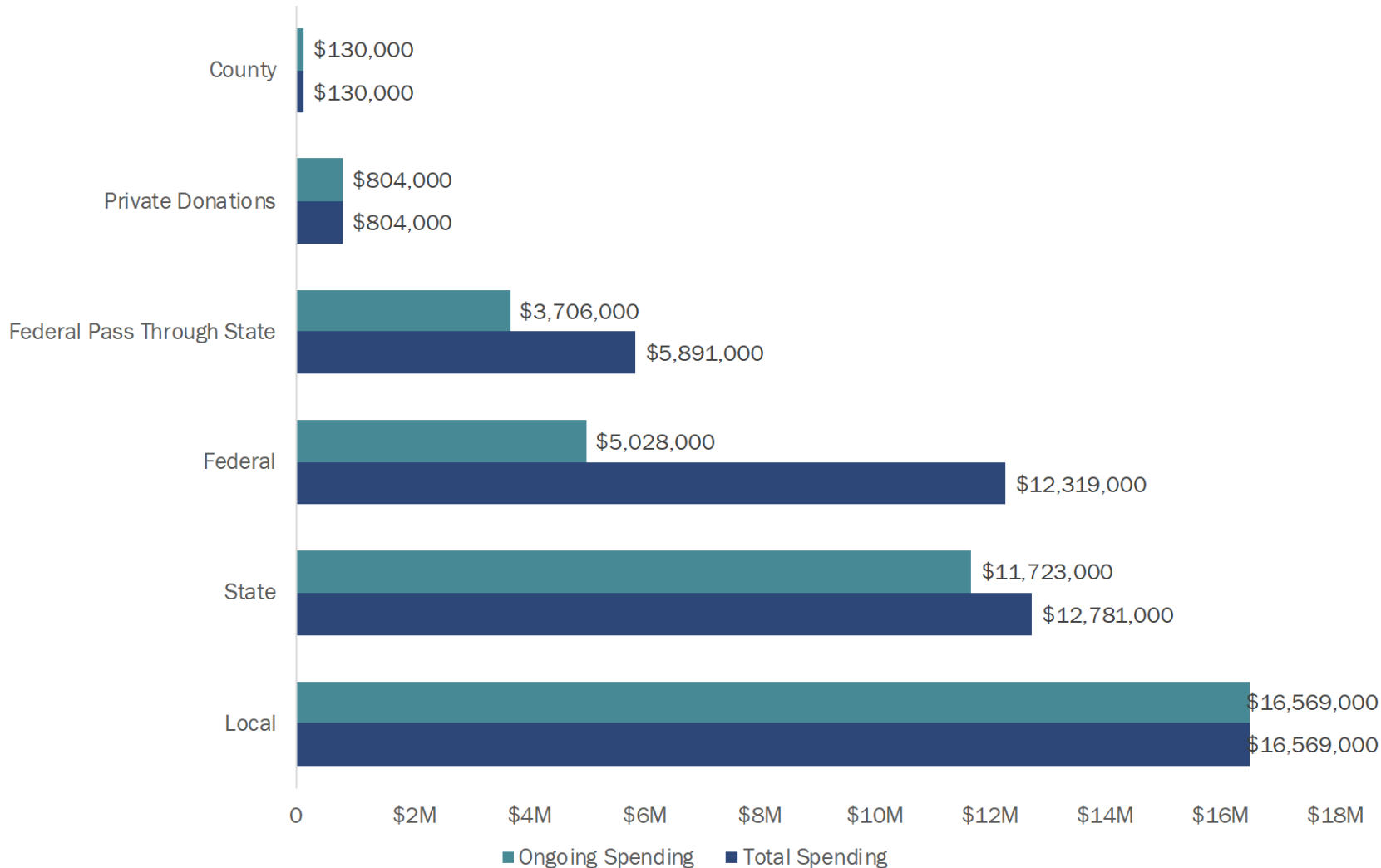
# Pierce County Total and Ongoing Homelessness Spending by Source, 2021



- Prevention accounts for \$196m (80%) of total and \$82m (66%) of ongoing funds
- Most of these funds are federal
- Federal funds comprise by far the largest source in our analysis



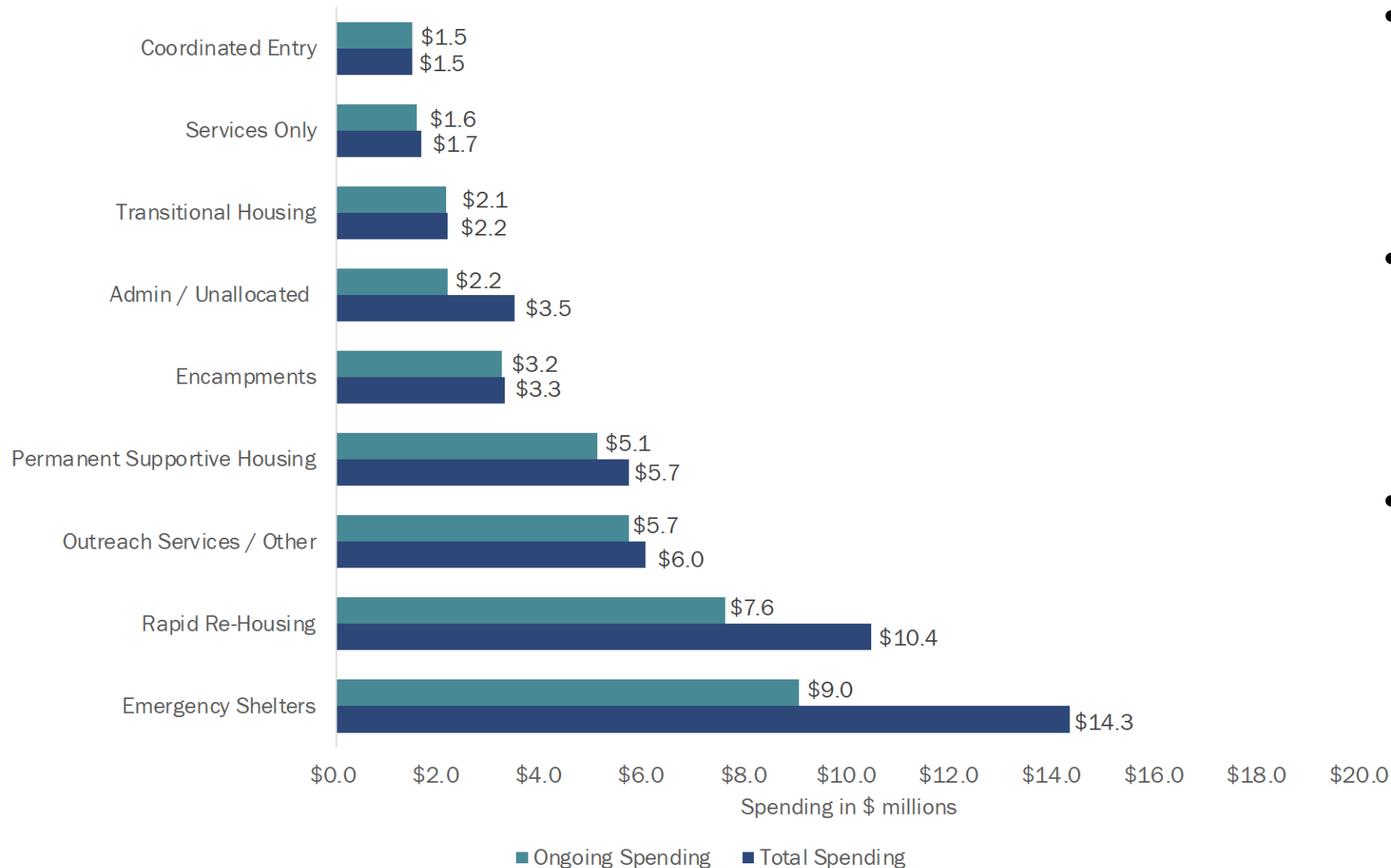
# Pierce County Total and Ongoing Homelessness Spending by Source (excl. prevention), 2021



- Very little of the identified funds originate with Pierce County
- Identified private donations likely understate actual total
- Local sources comprise the largest category of funds (excluding prevention funds)



# Pierce County Homelessness Spending by Use Category, 2021



- Excluding prevention, we identified \$49m total and \$38m ongoing resources
- Emergency shelters and RRH received most of the one-time funds identified
- Funds in the general services category could be associated with other use categories



# Indirect Spending on Homelessness



# Indirect Costs of Homelessness

- Homelessness imposes indirect costs across multiple systems, including healthcare, criminal justice, public safety, and other service systems
- Homelessness can impose costs on private businesses and reduce economic activity through lost productivity, damages, or declines in tourism in areas where homelessness is high.
- While difficult to measure, research has shown the indirect costs of homelessness are substantial and may, in some cases, exceed the costs of housing intervention



# Indirect Spending Cost Categories

Healthcare	Criminal Justice System	Public and Social Services	Economic and Other Costs
<ul style="list-style-type: none"><li>■ Emergency rooms</li><li>■ Inpatient and behavioral health services</li><li>■ Outpatient services</li><li>■ Costs of detox and treatment facilities</li><li>■ Ambulatory services</li><li>■ Costs of 911 responses</li></ul>	<ul style="list-style-type: none"><li>■ Costs of an arrest and jail stay</li><li>■ Court costs</li><li>■ Costs of crime (additional patrols, etc.)</li></ul>	<ul style="list-style-type: none"><li>■ Costs of encampment clean-up</li><li>■ Costs of foster care for homeless children</li><li>■ Costs of sanitation and street cleaning</li></ul>	<ul style="list-style-type: none"><li>■ Reduced tourism</li><li>■ Reduced economic activity</li><li>■ Costs due to reduction in perceived public safety</li></ul>



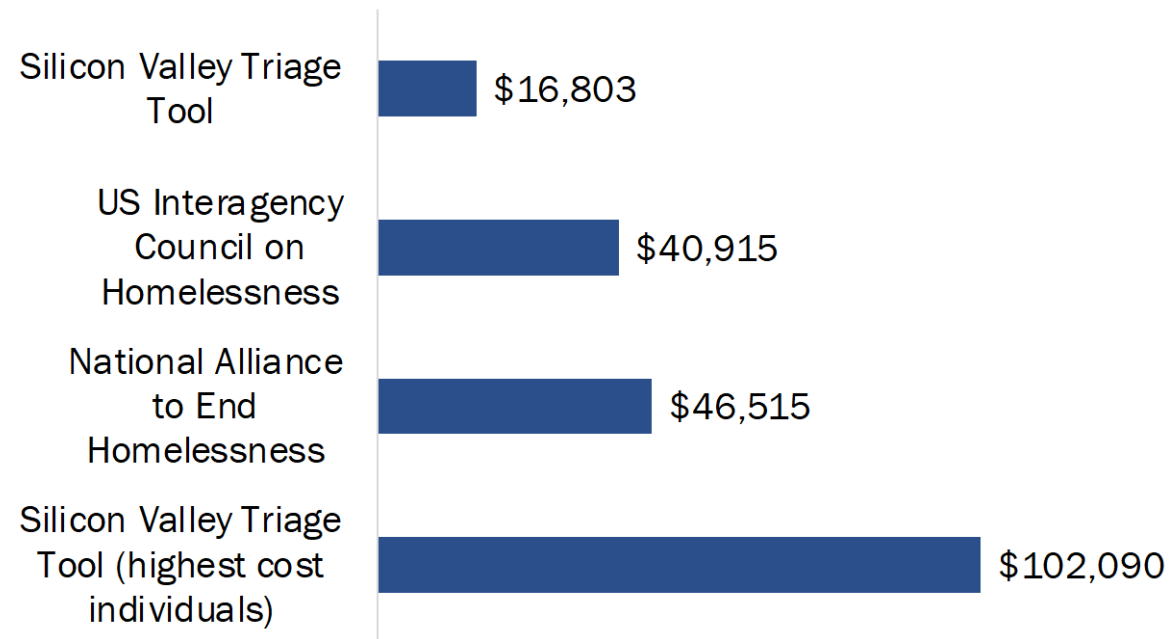
# Per Household Indirect Costs, Pierce County

	Low estimate		High estimate	
	%	Cost	%	Cost
<b>Social Service Systems</b>	13%	\$1,223	9%	\$1,417
<b>Healthcare</b>	53%	\$4,986	56%	\$9,174
<b>Justice System</b>	34%	\$3,199	35%	\$5,764
<b>Total</b>	100%	\$9,408	100%	\$16,354

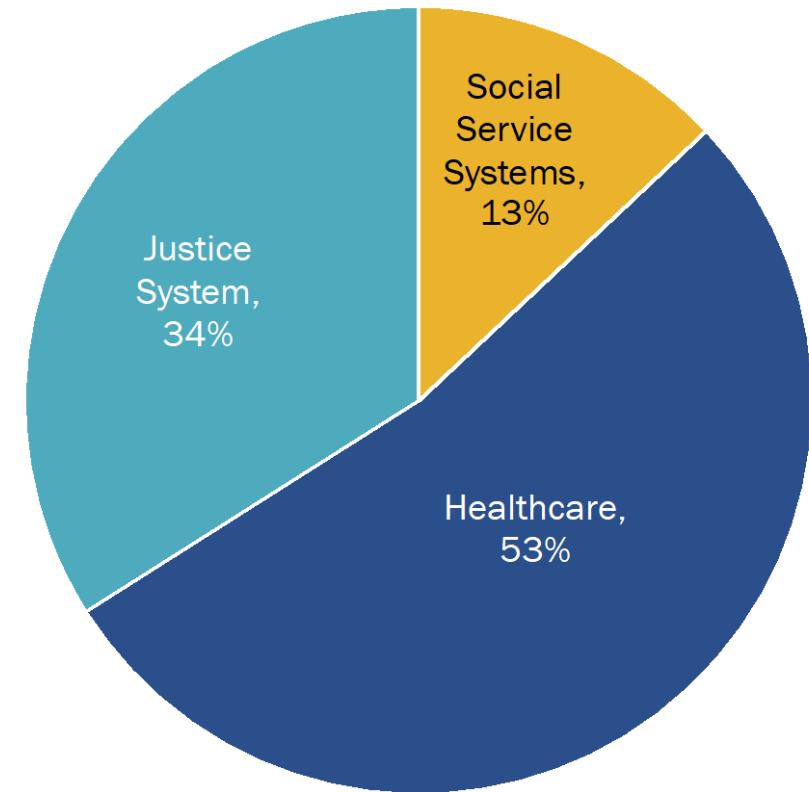


# Findings from the Literature

## Range of Annual Indirect Costs per Chronically Homeless Individual, \$2021

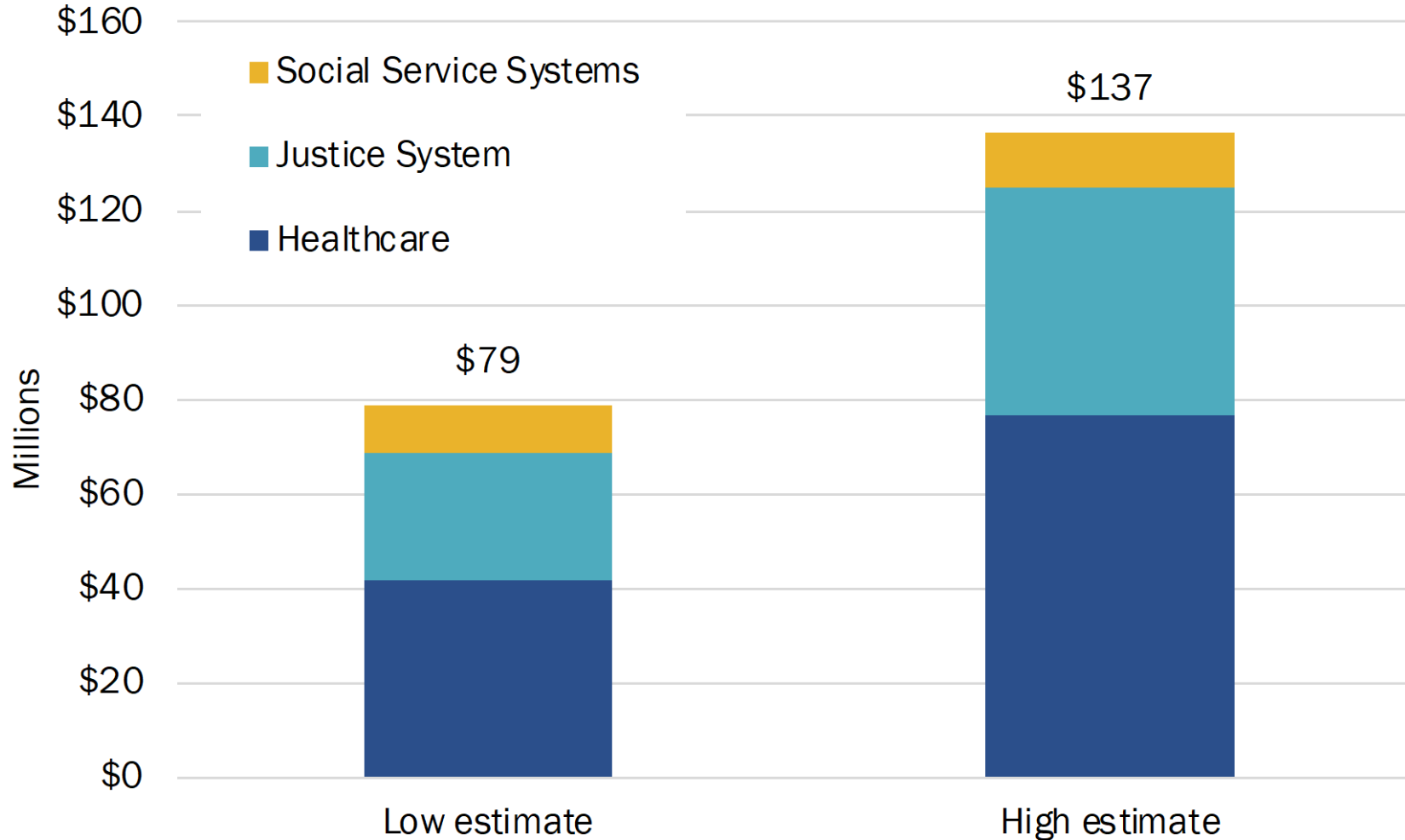


## Share of Overall Cost, by Category





# Indirect Spending on Homelessness, Pierce County, \$2021



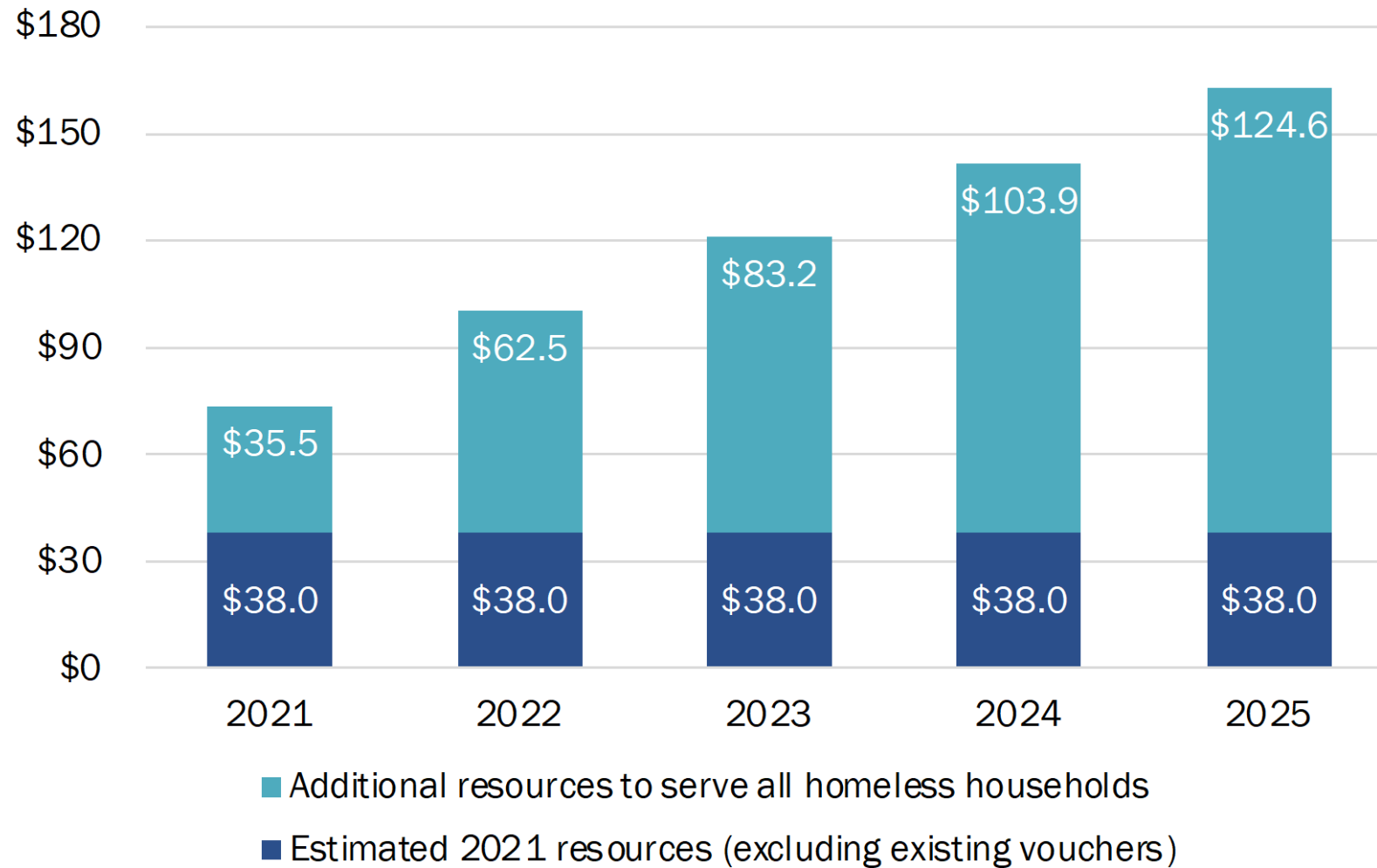
- Literature contains a wide range of estimates
- Studies vary in the unit of analysis and specific constellation of costs considered
- Despite significant uncertainties indirect costs of homelessness are by all accounts large compared to the resources devoted to solving homelessness



# Resources Needed to Provide Shelter for All Homeless Individuals



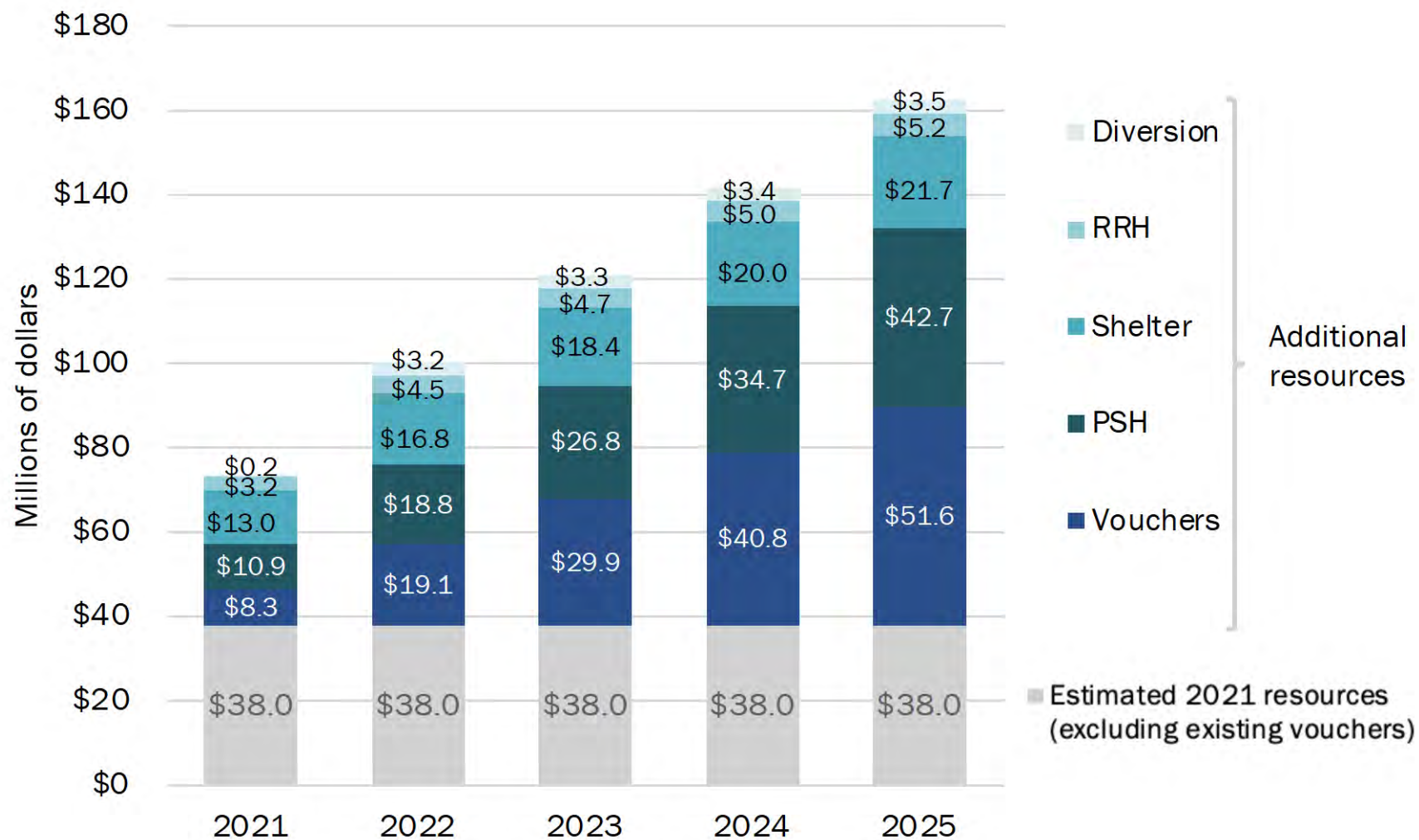
# Resources Needed to Provide Shelter for All Homeless Individuals (2021 \$)



- Estimated resources needed based on providing services to all individuals experiencing homelessness
- Services include prevention, diversion, emergency shelter, RRH, and PSH
- Estimates do not include capital or other one-time costs required to expand the system



# Additional Funds Needed to Provide Shelter for All Homeless Individuals by Intervention (2021 \$)



- Over time the ongoing costs of PSH and new vouchers account for an increasing share of additional resources needed
- Resources required for other services grow more slowly



# Where should Pierce County Prioritize its Near-Term Investments?



- Decades of housing underproduction have created an expensive housing market with rapidly rising rents
- Ending the crisis will accelerate housing production—at all price levels.
- The power of the clearest evidence-based intervention—long-term rental assistance—is limited in a tight housing market.
- The evidence-base is still emerging on short-term vouchers and PSH.
- Pierce County has underdeveloped emergency shelter infrastructure, and little clear guidance on how to expand it.



# Intervention characteristics

	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Solution Type (Temporary, Moderate, Permanent)	Evidence that this helps people exit homeless- ness?	Scalability (L, M, H)
Sanctioned Villages	New	Chronic	Temporary	No	Moderate
Emergency Shelters	Current	Both	Temporary	No	Low
Safe Parking / RV Parks	New	Both	Temporary	No	High
Diversion	Current	Episodic	Moderate	Some	High
Transitional Housing	Current	Both	Moderate	Yes	High
RRH	Current	Episodic	Moderate	Some	High
Roommate Based Programs	New	Both	Moderate	No	Low
PSH	Current	Chronic	Permanent	Yes	High
Vouchers & Rent Assistance	Current	Both	Permanent	Yes	High
Motel Conversions (to PSH)	Current	Both	Permanent	Yes	Moderate
ADU Program	New	Episodic	Permanent	No	Low



# Intervention Operating Costs

	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Cost of Development (L, M, H)	Cost of Ongoing Intervention (L, M, H)	Annual Operating Cost per Household
Sanctioned Villages	New	Chronic	Low	Moderate	\$27,200
Tiny Home Villages	Current	Chronic	Low	Moderate	
Emergency Shelters	Current	Both	High	Moderate	\$24,000
Safe Parking / RV Parks	New	Both	Low	Low	\$1,000*
Diversion	Current	Episodic	Low	Low	\$1,500
Transitional Housing	Current	Both	High	High	\$14,300
RRH	Current	Episodic	Low	Moderate	\$8,000
Roommate Based Programs	New	Both	N/A	Low	\$2,500
PSH	Current	Chronic	High	High	\$22,000
Vouchers & Rent Assistance	Current	Both	N/A	High	\$12,000
Motel Conversions (to PSH)	Current	Both	Moderate	High	\$33,200
ADU Program	New	Episodic	Moderate	Low	**



# Intervention Development Considerations

	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Requires Development (None, Some, Full)	Requires Site (Y/N)	Development Timeframe (Fast/None, Moderate, Slow)	Cost of Development (L, M, H)
Sanctioned Villages	New	Chronic	Some	Yes	Fast/None	Low
Emergency Shelters	Current	Both	Some	Yes	Slow	High
Safe Parking / RV Parks	New	Both	None	Yes	Fast/None	Low
Diversion	Current	Episodic	None	No	Fast/None	Low
Transitional Housing	Current	Both	Full	Yes	Slow	High
RRH	Current	Episodic	None	No	Fast/None	Low
Roommate Based Programs	New	Both	None	No	Fast/None	N/A
PSH	Current	Chronic	Some	Yes	Slow	High
Vouchers & Rent Assistance	Current	Both	None	No	Fast/None	N/A
Motel Conversions (to PSH)	Current	Both	Some	Yes	Moderate	Moderate
ADU Program	New	Episodic	Some	Yes	Moderate	Moderate



# Recommendations for Action

1. Explore alternative uses of the available voucher resources and subsidies.
  - Continue to investigate low-cost alternatives to evidence-based Housing Choice Vouchers
  - Disappointing evidence emerging on short-term vouchers but possibilities remain
  - Experiment with additional triage
2. Deploy better analytics to improve outcomes with constrained resources.
  - Link existing HMIS data to health and public safety data could improve homeless counts and targeting of outreach and service delivery
  - Monitor/conduct research and implement best practices
3. Expand sanctioned shelter infrastructure.
  - Conventional congregate shelters
  - Consider outdoor alternatives: sanctioned villages, safe parking, motel conversions



4. Manage unsanctioned encampments systematically.
  - Research has demonstrated the costs imposed by unsanctioned encampments
  - Formally recognizing these costs and developing incorporating them as a “budget” in the formal system and track activity at these sites
  - Associated performance metrics and goals will improve transparency and the evaluation of tradeoffs among system strategies
5. Use flexible funds to soften benefits cliffs.
  - Focus group members emphasized the stress associated with expiring benefits
  - A locally-funded “glide path” to assist recipients could soften the abrupt end of state and federal benefits and improve ability to monitor client outcomes over a longer time period
6. Use flexible funds to encourage better caseworker conditions.
  - Large caseloads and low wages leads to burnout and turnover
  - The County could grant flexible funds to large non-profit providers to reduce caseloads and/or increase wages to mitigate against these issues



# Questions?



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# Appendix: Intervention characteristics

Intervention	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Solution Type (Temporary, Moderate, Permanent)	Cost Effective at Reducing Homelessness?	Evidence that this helps people exit homeless-ness?	Scalability (L, M, H)	Requires Market Vacancy (Y/N)	Requires Site (Y/N)	Requires Development (None, Some, Full)	Development Timeframe (Fast/None, Moderate, Slow)	Cost of Development (L, M, H)	Cost of Ongoing Intervention (L, M, H)
Emergency Shelters	Current	Both	Temporary	No	No	Low	No	Yes	Some	Slow	High	Moderate
Safe Parking / RV Parks	New	Both	Temporary	Yes	No	High	No	Yes	None	Fast/None	Low	Low
Tiny Home Villages	Current	Chronic	Temporary	No	No	Moderate	No	Yes	Some	Fast/None	Low	Moderate
Sanctioned Encampments	New	Chronic	Temporary	No	No	Moderate	No	Yes	Some	Fast/None	Low	Moderate
Transitional Housing	Current	Both	Moderate	No	Yes	High	No	Yes	Full	Slow	High	High
Roommate Based Programs	New	Both	Moderate	Yes	No	Low	No	No	None	Fast/None	N/A	Low
Diversion	Current	Episodic	Moderate	Yes	Some	High	Yes	No	None	Fast/None	Low	Low
RRH	Current	Episodic	Moderate	No	Some	High	Yes	No	None	Fast/None	Low	Moderate
Vouchers & Rent Assistance	Current	Both	Permanent	Yes	Yes	High	Yes	No	None	Fast/None	N/A	High
Motel Conversions (to PSH)	Current	Both	Permanent	Yes	Yes	Moderate	No	Yes	Some	Moderate	Moderate	High
PSH	Current	Chronic	Permanent	Yes	Yes	High	Some	Yes	Some	Slow	High	High
ADU Program	New	Episodic	Permanent	No	No	Low	No	Yes	Some	Moderate	Moderate	Low



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# Pierce County Homeless Services Assessment

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February 2022

Prepared for Pierce County

*Final Report*

**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING

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# Acknowledgements

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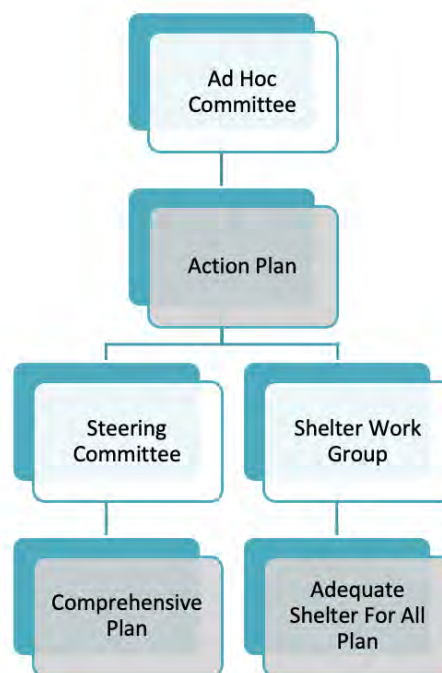


# 1. Introduction

Like many communities across the West Coast, Pierce County has been grappling with a homelessness crisis for several years. Unsanctioned encampments have grown in number and size and, based on our analysis of Pierce County data, the number of people experiencing homelessness in Pierce County during a calendar year reached about 14,500 in 2020, an increase of almost 20 percent since 2015.

In response, the Pierce County Council has moved forward on several related efforts to reduce homelessness. In 2020, the Council adopted a 5-Year *Strategic Plan to Address Homelessness* (Resolution 2020-29) and more recently passed Resolution 2021-30s to establish the Comprehensive Plan to End Homelessness Ad Hoc Committee that has been tasked with developing a process to create a *Comprehensive Plan to End Homelessness*. The Ad Hoc Committee created an Action Plan, which called for the creation of a Steering Committee to create the Comprehensive Plan, and a Shelter Plan Work Group, to develop the shelter specific elements in the plan. The Shelter Plan Work Group created the *Adequate Shelter for All Plan* in November of 2021, and the Steering Committee completed the *Comprehensive Plan to End Homelessness* in December 2021.

**Figure 1. Alignment of Ad Hoc Committee and Recently Completed Plans**



To supplement and complement these efforts, the Pierce County Performance Audit Committee hired ECONorthwest to inventory and analyze the homeless services flowing into and throughout the county. This report completes ECONorthwest’s scope of work and should be considered alongside the work of the Steering Committee, the Human Services department staff, and the ongoing work throughout the County’s network of providers.

This study seeks to answer the following key questions to provide a robust, economically focused look<sup>1</sup> into the drivers and costs of homelessness, and to help Pierce County prioritize its investments in services and prevention.

<sup>1</sup> Homelessness is a multi-faceted issue and no two stories into or out of homelessness are alike. We consider this report to be an economically focused look into the issue because it does not dive into several social and health determinants such as extreme poverty, mental health, or substance abuse disorders, that are related and relevant to the issue. These issues are discussed in section 4, but not at length. There are numerous reports provided by experts in these topic areas; this report focuses on housing market issues and service spending.



- How many individuals and households are experiencing homelessness in Pierce County? Via what counting methods?
- What characterizes inflows to, and exits from, homelessness?
- What macroeconomic influences affect homelessness, and how do these affect programming?
- What programs and services are working the most and the least effectively?
- How much does Pierce County spend to resolve homelessness and how are these funds being used?
- How much other money flows into the County and how are these funds being used?
- Where should Pierce County prioritize its investments?

This report seeks to answer these questions to help Pierce County understand the scale of the problem, the current efforts underway, and areas where it can improve service delivery.

## Alignment of This Report with the Comprehensive Plan

The Ad Hoc Committee's *Comprehensive Plan to End Homelessness* was published in December 2021 and offers recommendations that the County can implement to improve its homeless service delivery listed in Appendix C. Strategies from Other Plans on page 71.

While this report also offers recommendations at how the County can improve its homeless services, it supports and complements the Comprehensive Plan's goals and strategies. This report focuses on system-wide changes, and offers deeper detail on the following topics:

- Economic and housing market trends in Pierce County,
- The literature demonstrating macroeconomic influences on inflows into homelessness,
- The literature on successful interventions to help people exit homelessness,
- The literature on the indirect costs of homelessness, and
- A comprehensive analysis of the sources and uses of funds to address homelessness flowing through Pierce County.



## 2. Trends in Homelessness Pierce County

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This section begins with definitions of homelessness and steps through the various methods of counting the number of people experiencing homelessness. It ends with a best approximation the number of people experiencing homelessness in Pierce County and trends over time based on that methodology.

### Defining Homelessness

The 2020 Pierce County Continuum of Care's *5-year Plan to Address Homelessness* offers insight into the challenge of defining homelessness, stating:

"The definition of homelessness varies. Veteran's programs, schools, and the Department of Housing and Urban Development (HUD)-funded Continuum of Care grantees all operate under different definitions of homelessness that are often set by federal funders.

The lack of a unified definition poses several challenges: It makes it difficult to quantify accurately the number of people experiencing and at risk of homelessness in our community. It also creates challenges with funding and outcomes. For example, federal funding allocations are determined based on how effective we are at decreasing the numbers of people experiencing homelessness as determined in our Homeless Point-in-Time survey and in our Homeless Management Information System (HMIS) data, which do not capture the totality of people experiencing homelessness or at risk of homelessness throughout the County."

This report faces those same challenges, in attempting to aggregate funding across a variety of programs funded by different agencies, reviewing the literature, and talking to individuals themselves. Because of the wide array of inputs into this analysis, this report uses the broad definition of homelessness that the *5-year Plan to Address Homelessness* uses:

"...homelessness will be defined as any household who lacks, or is at immediate risk of losing, a regular, fixed, safe, and adequate nighttime residence; those actively fleeing or attempting to flee domestic violence; as well as unaccompanied youth under any federal definition of homelessness."

### Measuring Homelessness

Reliable measurement is key to defining a public policy problem, and measurement of homeless populations is inherently challenging due to varying definitions, changing methodologies, and the difficulty of finding and engaging with some populations experiencing homelessness.



## Federal Point-in-Time Counts

The most commonly cited source of data on homelessness is the Point-in-Time Counts (PIT) organized by the U.S. Department of Housing and Urban Development (HUD). The PIT count is a snapshot of sheltered and unsheltered homeless persons on a single night. Counting methods vary across time and place, rely heavily on volunteers, and can be disrupted by weather. Community effort in getting an accurate count is not uniform across the country. And the homeless population is in continuous flux.

Together, this means that despite best efforts, the nature of the data varies from year to year and from region to region. While comparisons across time and geographies can be valuable, the inherent inconsistencies in methods and accuracy must be kept in mind. Appendix E on page 78 offers additional context on the shortcomings of the PIT.

## Homeless Management Information System (HMIS)

HUD requires the Pierce County Continuum of Care (CoC) Committee to maintain a homeless management information system (HMIS) and store key aspects about the clients that interact with the CoC. The HMIS is a very comprehensive source of data for the demographics and experiences of people engaging with the County's homeless crisis response system, including homeless prevention, street outreach, shelter, permanent housing programs, and the coordinated entry system.<sup>2</sup>

## By-Name List

The Pierce County Continuum of Care's *5-Year Plan to Address Homelessness* defines a by-name list as "a real time, up-to-date list of people experiencing homelessness that can be filtered and searched easily."<sup>3</sup> The County currently maintains a by-name list of all veterans and youth/young adults experiencing homelessness using data from HMIS, outreach, and federal and community partners. Expanding the by-name list to include current information for all populations experiencing homelessness is a goal in both the *Comprehensive Plan* and for the CoC in the 5-Year Plan.

## Other Efforts

In fall 2021 the King County Regional Homelessness Authority (KCRHA) released a new estimate of the total population experiencing homelessness in King County, building from and expanding upon previous lists generated through their HMIS, Health Care for the Homeless Network (HCHN), and Behavioral Health and Recovery Division (BHRD) databases. This new data effort found that "about 7,300 people served by HCHN or BHRD programs experienced

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<sup>2</sup> See a description of coordinated entry on page 20.

<sup>3</sup> Pierce County's Continuum of Care Committee. "5-year Plan to Address Homelessness." 2020.

<https://www.piercecountywa.gov/DocumentCenter/View/87146/Pierce-County-5-Year-Plan-to-Address-Homeless-2020-2025>.



homelessness at some point during 2020 [but] were not identified as receiving services in HMIS.”<sup>4</sup> Further data analysis identified key characteristics of people who were captured in either but not both databases demonstrating the importance of better information. The new methodology estimates approximately 40,800 people experienced homelessness at some point during 2020, an increase of about 20 percent over HMIS counts and much higher than the PIT count estimate of 11,700 on a single night in January.

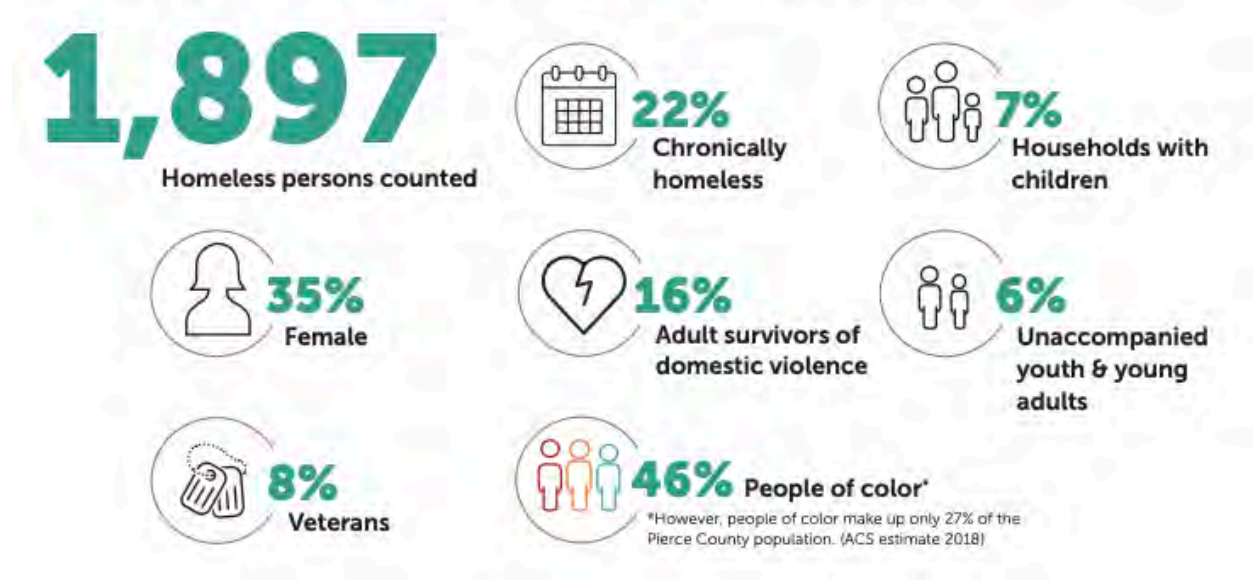
## Homelessness in Pierce County

January 2020 was the last year in which a full unsheltered PIT count was conducted, and 1,897 individuals were identified as being without a home (see Figure 2). This was an increase (of 28 percent) from 1,486 individuals identified in 2019. In the January 2021 PIT count, approximately 1,005 people were identified, but due to COVID-19 health safety protocols, this count did not include the unsheltered portion, so estimates were lower.

**Figure 2. 2020 Homeless Point-In-Time Count Results**

Source: Pierce County 2020,

<https://www.piercecountywa.gov/DocumentCenter/View/92299/PIT-Count-infographic-2020—final>



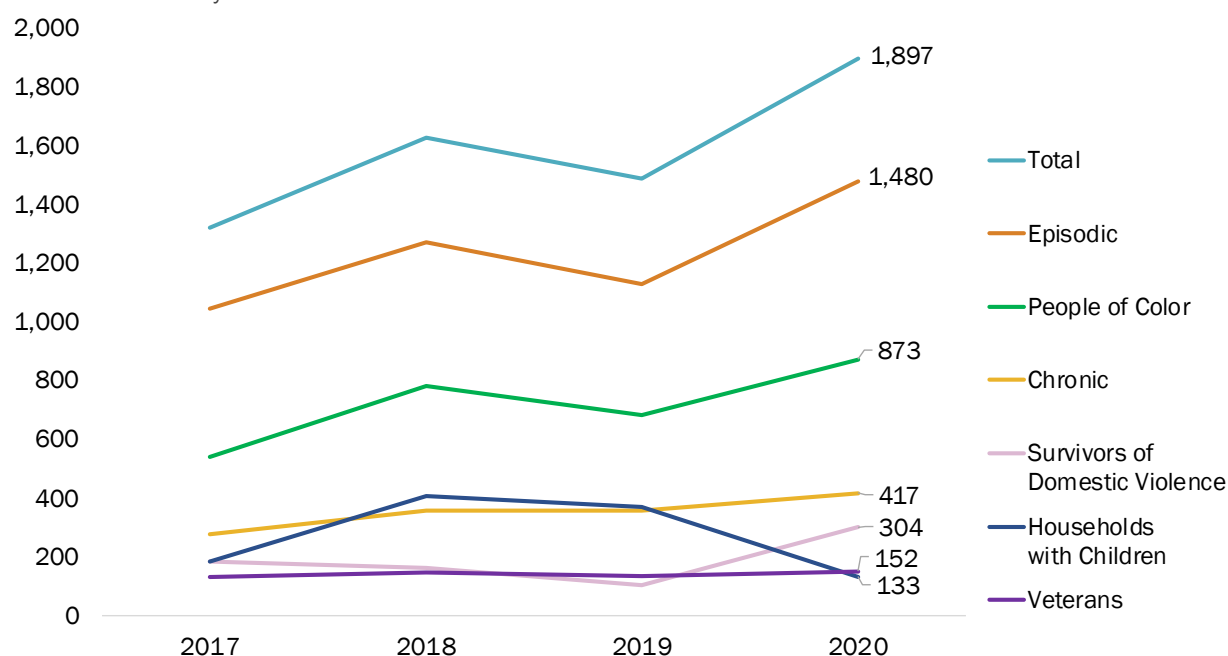
As Figure 3 demonstrates, PIT count estimates varied year to year, even before the COVID-19 pandemic. Figure 3 excludes 2021 for several reasons: the PIT count did not include an unsheltered count and was challenged by COVID-19-related social distancing protocols, and Pierce County had eviction moratoria in place, so it is an unrealistic assessment of the true rate of homelessness.

<sup>4</sup> King County Regional Homelessness Authority. 2021. “Integrating Data to Better Measure Homelessness DCHS. Data Insights Series.” [https://kingcounty.gov/~media/depts/community-human-services/department/documents/KC\\_DCHS\\_Cross\\_Systems\\_Homelessness\\_Analysis\\_Brief\\_12\\_16\\_2021\\_FINAL.ashx?la=en](https://kingcounty.gov/~media/depts/community-human-services/department/documents/KC_DCHS_Cross_Systems_Homelessness_Analysis_Brief_12_16_2021_FINAL.ashx?la=en)



**Figure 3. Trends in Pierce County PIT Counts of People Experiencing Homelessness Over Time**

Source: Pierce County Human Services



## HMIS-based Estimates of Homelessness

Recognizing the many limitations in the PIT methodology, Pierce County has developed methods to more accurately estimate the number of people experiencing homelessness in the county, and to more accurately estimate the current population of unsheltered individuals in the county. These estimates provide more useful benchmarks for assessing the resources needed to reduce homelessness than the PIT counts. We analyzed HMIS data provided by Pierce County using similar methods.<sup>5</sup>

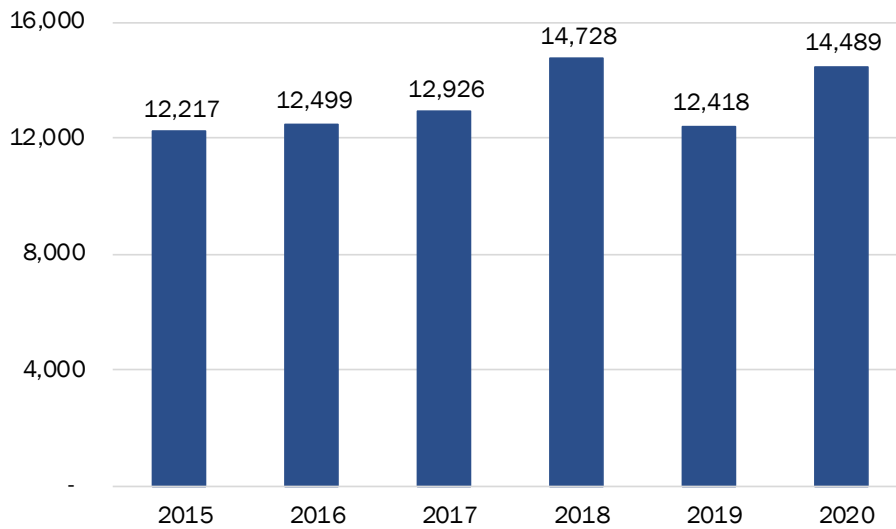
Not surprisingly, homelessness estimates based on the HMIS data yield much higher numbers than the PIT. Using the Pierce County HMIS methodology, we identified about 12,400 individuals assumed to have experienced homelessness during 2019. The estimated total for 2019 is about the same as a comparable estimate for 2015, but the estimated number of homeless individuals in 2020, at about 14,500, is about 17 percent higher than in 2019 (see Figure 4).

<sup>5</sup> Estimates of unsheltered individuals. Pierce County. "Comprehensive Plan to End Homelessness." 2021. <https://www.piercecountywa.gov/DocumentCenter/View/109977/Comprehensive-Plan-to-End-Homelessness-with-Appendices-and-Shelter-Action-Plan>.



**Figure 4. Trends in Pierce County HMIS Counts of People Experiencing Homelessness**

Source: Pierce County HMIS



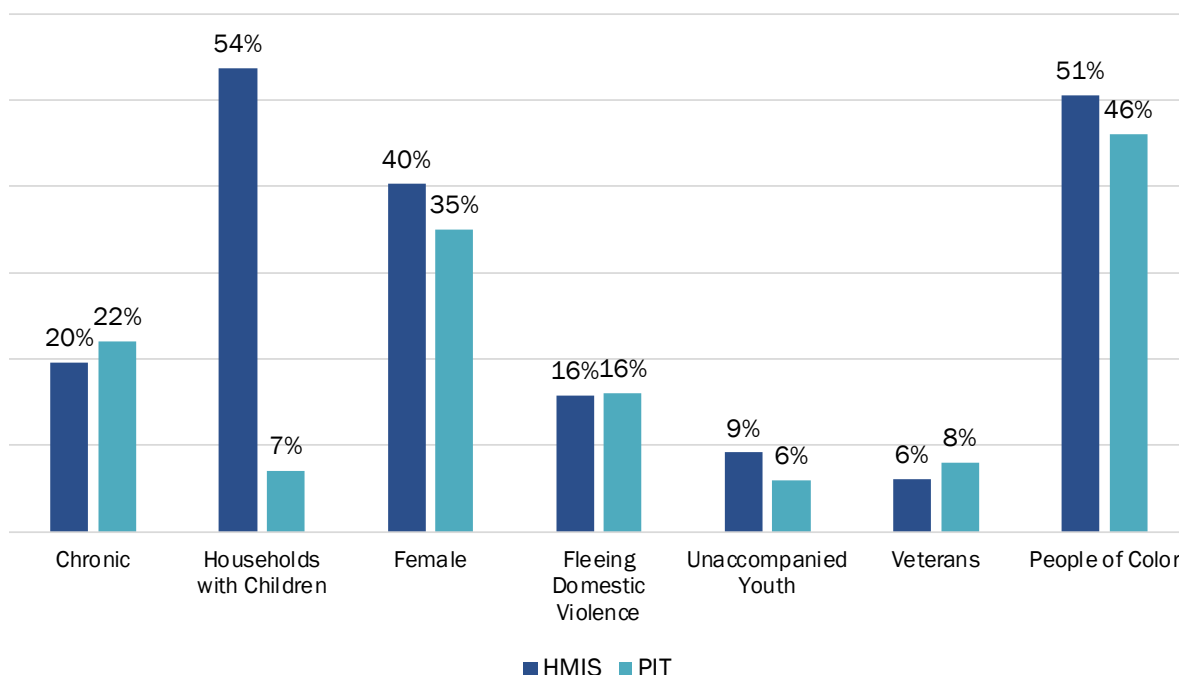
The composition of those experiencing homelessness also differs between the HMIS and the PIT counts. The share of families with children, for example, is far higher when using HMIS counts as opposed to PIT.<sup>6</sup> According to the HMIS count in 2020, 54 percent of those experiencing homelessness was families with children compared to 7 percent reported in the PIT data (see Figure 5). This and other differences apparent from the chart highlight the limitations of PIT data in describing the County's homeless population.

<sup>6</sup> Our HMIS counts of households with children include child-only households (all members under age 18) whereas the PIT counts do not. The resulting discrepancy is minor: members of child-only households accounted for only 0.6 percent of the total 2020 Pierce County PIT count.



**Figure 5. PIT and HMIS Shares by Category, Pierce County, 2020**

Source: Pierce County Human Services and Pierce County HMIS



Unsheltered homelessness—defined as living in a place not meant for human habitation—has grown considerably in Pierce County in recent years, although the HMIS-based unsheltered population estimate has been reasonably stable at about 3,300 to 3,400 people since early 2020. After accounting for emergency shelter beds, the estimated unsheltered homelessness provides a benchmark for assessing currently unmet need for services.

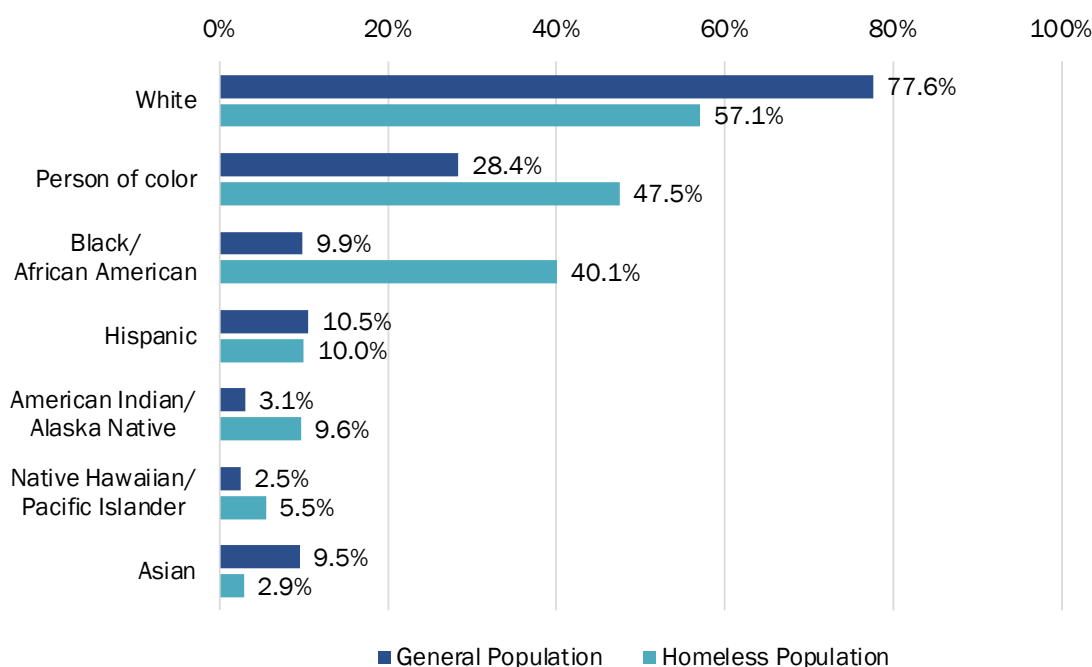
The distribution of racial and ethnic identities of individuals experiencing homelessness differ in important ways from those of Pierce County’s population as a whole (see Figure 6). Notably, about 40 percent of individuals experiencing homelessness identify as Black or African American, compared to about 10 percent of the full county population. Individuals identified as American Indian or Alaska Native, or Native Hawaiian or Pacific Islander are also similarly overrepresented among the homeless population in a proportionate sense. Overall, people of color are overrepresented in the homeless population by a factor of 1.7 in Pierce County, reflecting the damaging upstream effects of systemic racism and inequity in the housing market and elsewhere.

The distribution of race, ethnicity, and gender has remained reasonably stable since at least 2016, with changes of no more than a few percentage points in the share identifying with each race or ethnicity. Just under 40 percent of homeless individuals identified as female in 2016, falling to about 37 percent in 2020.



**Figure 6. Demographic Characteristics of Persons Experiencing Homelessness in 2020 Compared to General Population, Pierce County**

Source data: Pierce County HMIS and U.S. Census Bureau American Community Survey, 2015-2019 estimates, Tables B02008-B02013 and Table B03003.



## Other Considerations

Given the potential mobility of homeless individuals and the transitory nature of homelessness for many, estimates of the homeless population will remain imperfect. Nonetheless, the methodologies currently employed by Pierce County represent a major improvement over relying on PIT counts. We close this section with additional options for Pierce County to consider for future efforts to improve counts and characterization of the homeless population:

- Additional matching of the County's by-name lists to information from other service providers could yield valuable insight about individuals experiencing homelessness within the County that receive services (e.g., healthcare) but who have not engaged with the formal homeless system. The recent King County study that followed this approach led to about a 20 percent increase in the County's estimate of the homeless population.<sup>7</sup>
- Similarly, matching records to those of neighboring CoCs could improve understanding about client flows into and out of Pierce County.
- The PIT count could remain useful for understanding characteristics of the homeless population not captured in HMIS, such as the geographic distribution of unsheltered individuals and the potential to identify individuals who chose to avoid the formal system.

<sup>7</sup> King County Regional Homelessness Authority. 2021.



### 3. Inflows Into Homelessness

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Homelessness is a complex and multifaceted issue. No two stories into homelessness are the same, and no single solution works for the personal and unique confluence of circumstances that keep households from returning to stable housing. Much research has been conducted on the factors affecting the instance of homelessness and changes to homeless rates in communities.

This section describes housing market factors and behavioral factors known to influence homelessness, lists Pierce County data on these factors, and includes focus group commentary on these factors. It concludes with a brief description, based on analysis of HMIS data, of the inflows into homelessness in Pierce County and describes key factors identified in the literature as influencing inflows.

#### Housing Market Factors Influencing Homelessness

The theoretical tie between housing affordability and homelessness is relatively straightforward. The cost of housing at the extreme low- end of the market rises to levels that crowd out spending on food, clothing, childcare, and essential items to such a degree that some individuals and families have no other choice but to move onto the streets or into emergency shelters. In other cases, individuals and families may face an emergency expense (such as a car repair or medical bill) and, without adequate income or savings, are evicted. For many households, private struggles collide with low incomes and high-cost housing, leaving too little cushion to deal with everyday challenges and still maintain stable housing. In each of these situations, supply-side factors relating to access to housing at a range of affordability levels come into play as well as extenuating circumstances.

Much research empirically demonstrates this link between housing and homelessness.<sup>8</sup> In 2001, economists John Quigley and Steven Raphael linked housing affordability—rather than personal circumstances—as predictive of rates of homelessness across the United States. In 2018, UCLA economist William Yu identified the same strong links and described homelessness as an unfortunate conjunction of difficult

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In 2001, economists found that a 10 percent increase in rent leads to a 13.6 percent increase in the rate of homelessness.

In 2020, the GAO found that a \$100 increase in rent leads to a 9 percent increase in the rate of homelessness.

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<sup>8</sup> See for example: John M. Quigley and Steven Raphael, “The Economics of Homelessness: The Evidence from North America.” *European Journal of Housing Policy* 1, no. 3 (2001): 323-336.

Maria Hanratty, “Do Local Economic Conditions Affect Homelessness? Impact of Area Housing Market Factors, Unemployment, and Poverty on Community Homeless Rates,” *Housing Policy Debate* 27, no. 4 (March 20, 2017): 1-16, <https://doi.org/10.1080/10511482.2017.1282885>;

Chris Glynn and Emily B. Fox (2017). “Dynamics of homelessness in urban America,” (Durham, NH: College of Business and Economics, University of New Hampshire).



personal circumstances “in the wrong kind of housing market.”<sup>9</sup> This study identified five primary housing market and income factors that statistically significantly affect homelessness: 1) median home values, b) median rents, c) median household incomes, d) housing supply growth, and e) population density.

More recently, the U.S. Government Accountability Office (GAO) analyzed the factors influencing changes in homelessness in 20 continuums of care (CoCs) across the country.<sup>10</sup> This econometric analysis controlled for a variety of housing, demographic, and economic variables and consistently found that changes in a CoC’s median rent were positively linked to increases in the homelessness rate, and determined that nationally, a \$100 increase in the median rent resulted in a 9 percent increase in the incidence of homelessness in that CoC. In addition, increases to the share of housing stock that was renter occupied were statistically significantly related to decreases in the rate of homelessness in that CoC.

**Figure 7. Regions with High Median Rents have High Rates of Homelessness**



Source: ECONorthwest analysis of the U.S. Department of Housing and Urban Development, 2017 Point-In-Time Counts and U.S. Census Bureau 2016 American Community Survey data, Top 50 Metropolitan Statistical Areas

The diagonal line is the line-of-best-fit for the data, showing a strong positive correlation between median gross rent and rates of homelessness. The linear equation for the line is shown. The  $R^2$  value demonstrates how closely the line fits the data; a higher  $R^2$  indicates a better fit and less variance.

<sup>9</sup> William Yu, “Homelessness in the U.S., California, and Los Angeles,” June 18, 2018, video, 15:30, <https://www.youtube.com/watch?v=XOxcDJY3ens>.

<sup>10</sup> U.S. Government Accountability Office, “Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population,” GAO-20-433 July 2020, Available from: <https://www.gao.gov/products/gao-20-433>.



## Housing Market Trends in Pierce County

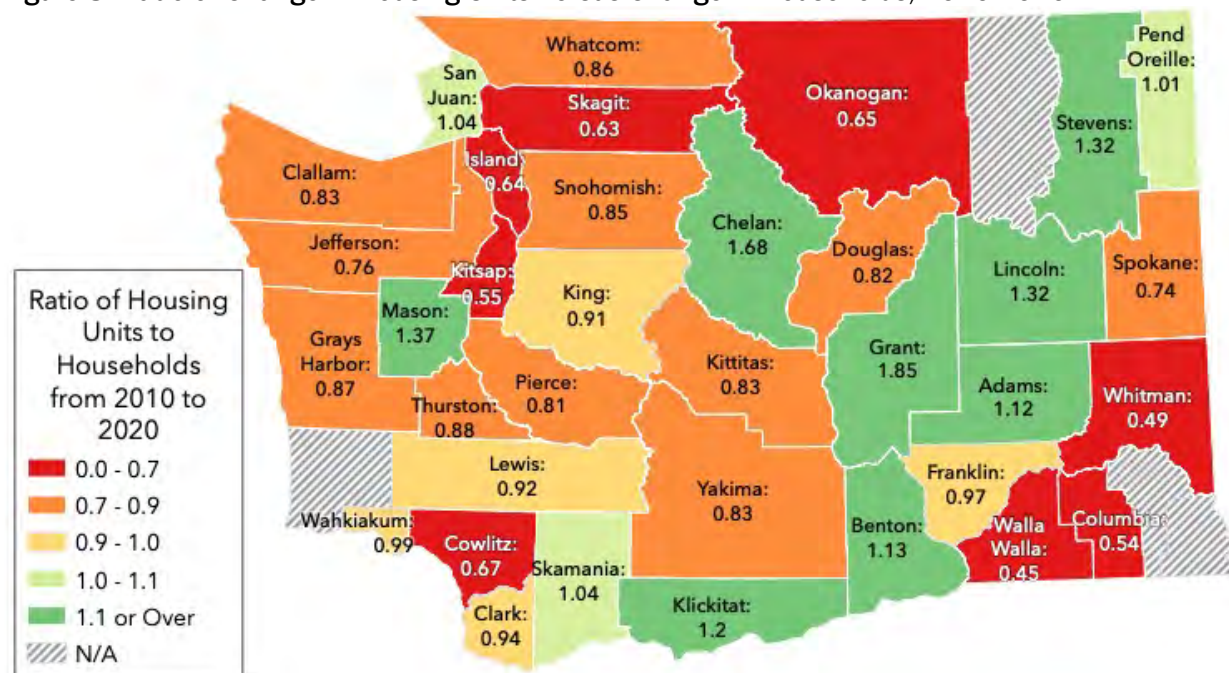
Given that Pierce County has seen an increase in homelessness over time, this section explores how it fares across the factors identified in the literature as contributing to homelessness.

### Housing Production

Since the 1960s, the U.S. has created about 1.10 housing unit for every household that has formed. Households form when people move into a new area, when children leave their parents' homes, or when roommates come together or split up. A ratio higher than 1:1, allows for a natural amount of vacancy, as well as for second homes and obsolescence.

Figure 8 below demonstrates that from the 2010 to 2020 time period, Pierce County communities only created 0.81 housing units for every new household that formed. This is well below the 1.10 level needed for vacancy.

**Figure 8. Ratio of Change in Housing Units Versus Change in Households, 2010-2020**



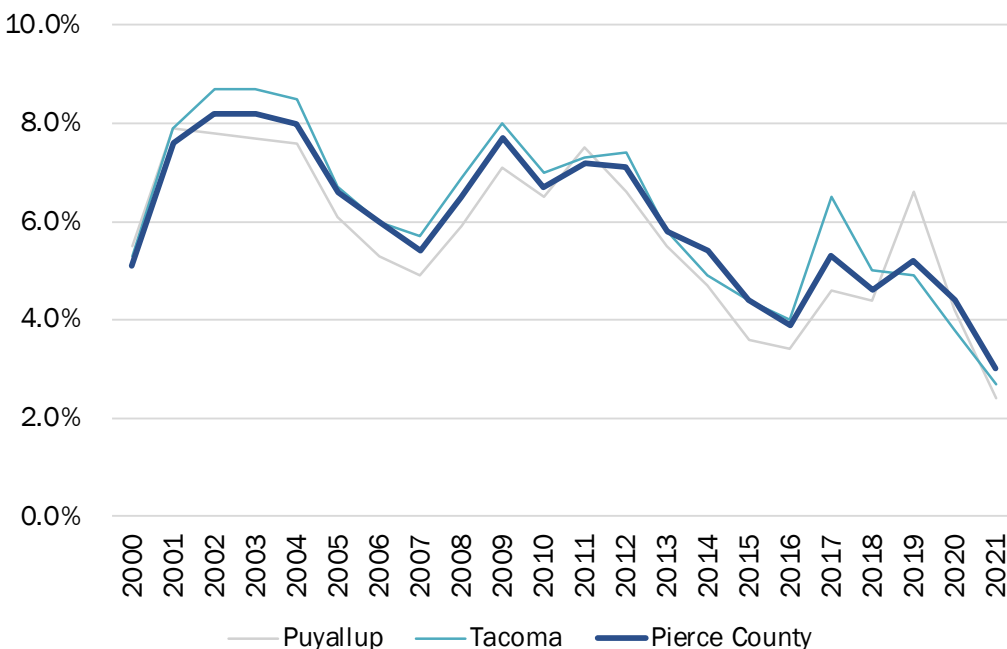
### Vacancy Rates

Underproduction translates into lower market vacancy rates (see Figure 9). Multifamily vacancy rates have been in decline in Pierce County since the early 2000s. This not only puts upward pressure on housing prices but can also make programs and policies such as Housing Choice Vouchers less effective as these approaches require market vacancy. In October 2021, the multifamily rental vacancy rates in Tacoma, Puyallup and the whole county reached their lowest points in 20 years, at 2.7 percent, 2.4 percent, and 3.0 percent, respectively.



**Figure 9. Multifamily Rental Vacancy Rate, Pierce County, Tacoma, and Puyallup, 2000–Oct. 2021**

Data source: CoStar. Data as of October 2021.



One of the natural consequences of this underproduction and low vacancy is rising rents and home prices as households compete for housing. The 2019 median monthly rent in Pierce County was \$1,362 just a few dollars higher than the state median. Since 2010, the median rent in Pierce County has increased by \$244, or about 22 percent (adjusting for inflation). Recent trends in rising inflation, of which rents are a substantial component, have also increased costs of living and further stretched limited budgets.

### Regulated Affordable Housing

In addition to a lack of housing production at market levels, not enough regulated affordable housing has been produced to meet demand. Developing regulated affordable housing is a long and costly process requiring robust public subsidy. In 2018 the City of Tacoma released its *Affordable Housing Action Strategy* (AHAS) that outlined goals and policies for it to implement over 10 years to boost affordable housing options for residents. As the figures in this section demonstrate, trends have moved in the wrong direction as market forces have worsened affordability since 2018.

In addition, a number of subsidized housing units are at risk of seeing their restrictions expire. The AHAS highlighted that in 2018, “a total of 1,588 units [of federally subsidized housing] at 30 privately owned properties have subsidies that expire by 2028” and that by 2020, “the City of Tacoma could lose as many as 326 units through

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“The City of Tacoma needs to dramatically increase its investments in new rental and homeownership opportunities and establish broader anti-displacement measures, including preserving affordable units at-risk of converting to market-rate rent and creating permanent protections for tenants.”

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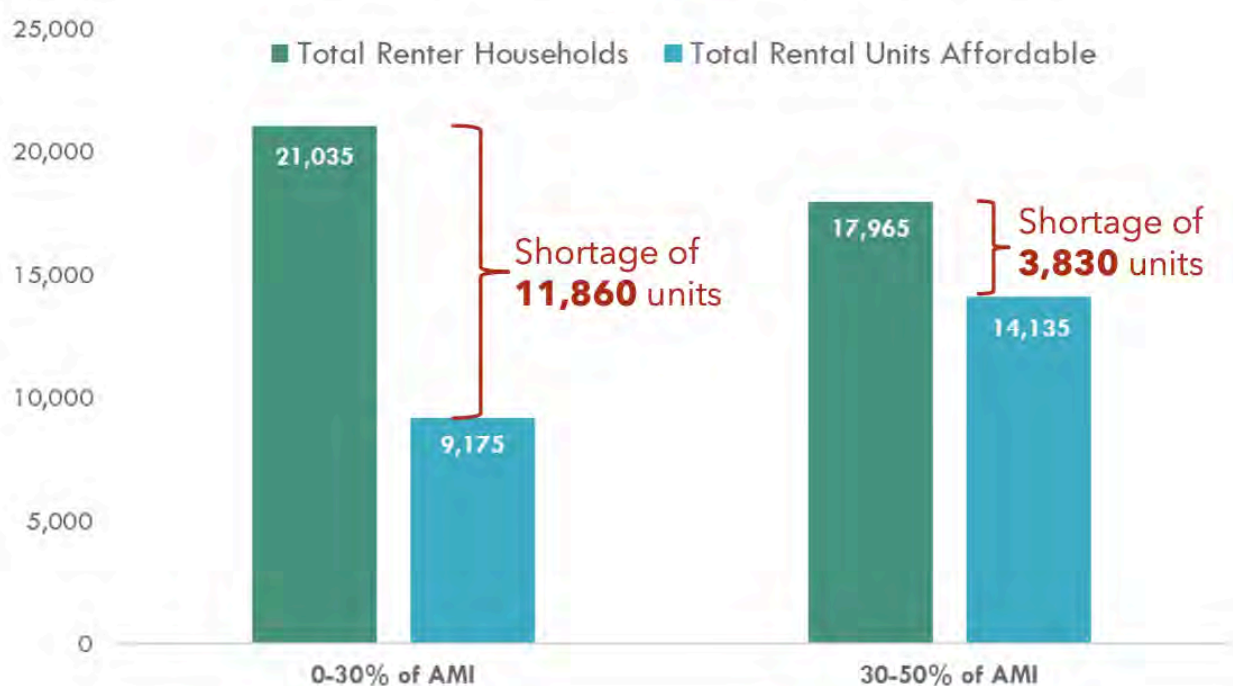


expiring subsidies at federally assisted properties.”<sup>11</sup> While Tacoma is Pierce County’s biggest city, the true nature of risk to, and required investment in, affordable housing properties is much larger for the county as a whole.

While a deeper dive into the regulated affordable housing needs across Pierce County is beyond the scope of this work, it is clear that demand is falling behind supply (which is also true nationally), meaning that more households are subject to rising rents, declining affordability, and increasing rates of cost burdening. The Pierce County Housing Action Strategy demonstrates the severe shortage of affordable units (regulated and unregulated) for low-income households (see Figure 10).

**Figure 10. Affordable Rental Units Compared to Need, 2014-2018.**

Source: Pierce County Housing Action Strategy Project Overview & Housing Needs Assessment, County Council Presentation, February 8, 2022, BERK Consulting.



## Rising Rents

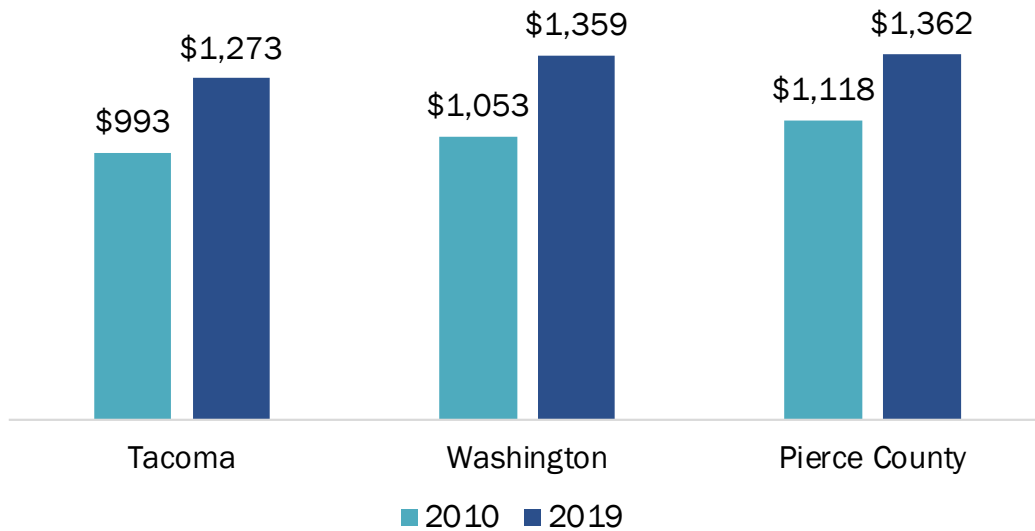
Figure 11 shows inflation-adjusted median monthly rents in Pierce County and comparison areas in 2010 and 2019, and Figure 12 graphs effective multifamily rents for Pierce County, Tacoma, and Puyallup from 2000 to mid-2021. Multifamily rents have risen steadily in all three regions since 2009, increasing more sharply between 2014 and 2021. With too few regulated affordable housing units in the county, many low-income households are at risk of rising rents and increasing rates of cost burdening.

<sup>11</sup> City of Tacoma. “Affordable Housing Action Strategy.” 2018. [cms.cityoftacoma.org/cro/ahas/affordablehousingactionstrategy.pdf](https://cms.cityoftacoma.org/cro/ahas/affordablehousingactionstrategy.pdf).



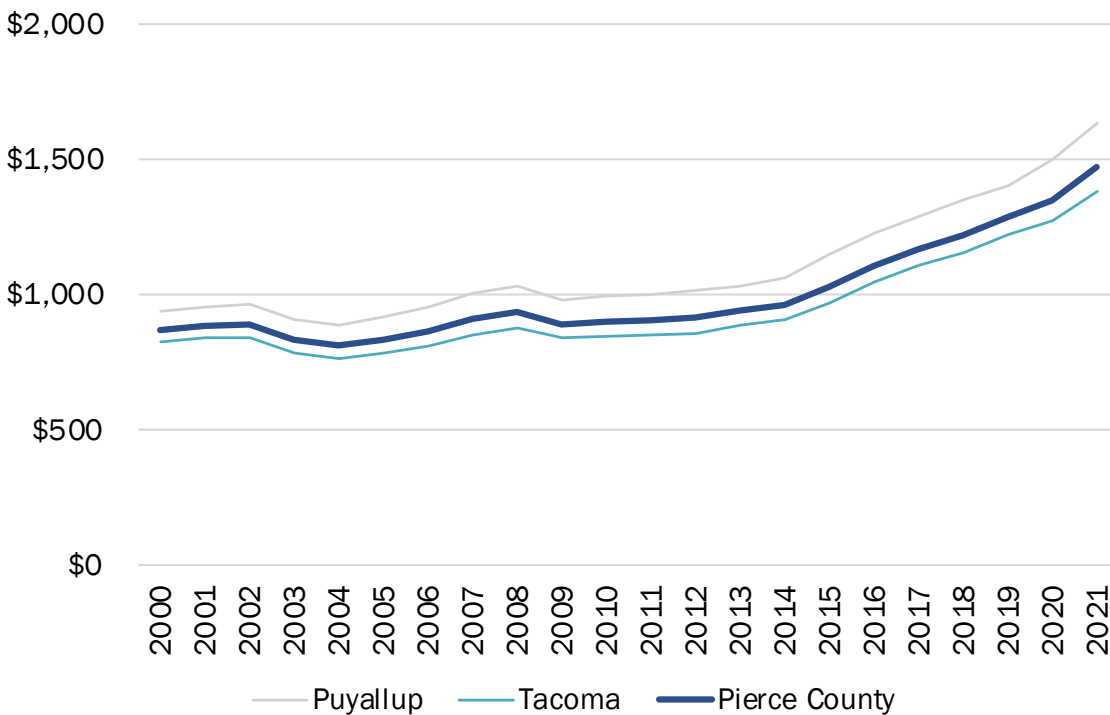
**Figure 11. Median Monthly Rent (2019 dollars), Washington, Pierce County, and Tacoma, 2019**

Data source: United States Census Bureau. 2010 and 2019 American Community Survey one-year estimates, Table B25064. Bureau of Labor Statistics inflation calculator.



**Figure 12. Multifamily Effective Rent, Pierce County, Tacoma, and Puyallup, 2000–Oct. 2021**

Data source: CoStar. Data as of October 2021.



Due to this underproduction, low vacancy, and declining affordability, competition is steep for the few low-cost housing units that are available. As a result, many renter households face cost-



burdening which means they spend more than 30 percent of their gross income on housing costs: 51 percent of renter households were cost burdened in Pierce County in 2019.<sup>12</sup>

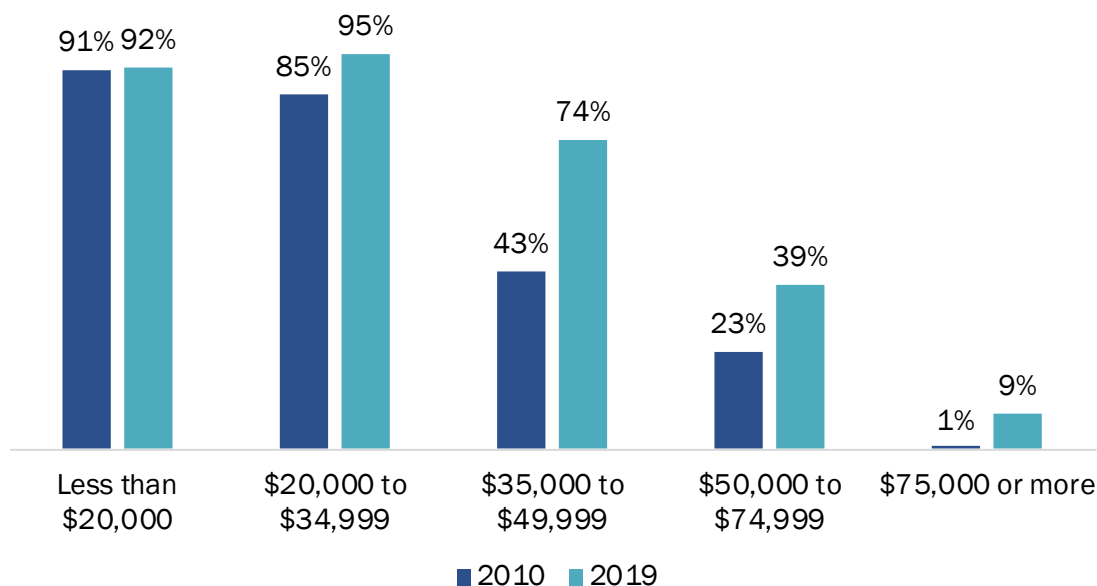
### Rising Rates of Cost Burdening

When housing costs exceed what a household can typically afford, that household is considered *housing cost burdened*, which is also called rent burdened. The U.S. Department of Housing and Urban Development (HUD) considers the affordability threshold to be 30 percent of a household's gross monthly income on all housing costs, including utilities and maintenance. Severe housing cost burdening occurs when a household pays more than 50 percent of its income on housing. While cost burdening can occur for homeowners, the issue is more salient for renters since rents can change month to month or year to year while mortgages are generally fixed for a longer period of time. Housing cost burdening is particularly challenging for low-income households who, after paying for housing costs, have insufficient income remaining for other necessities.

As expected, cost burdening rates in Pierce County are much higher for lower income renter households (see Figure 13). In 2019, 92 percent of Pierce County households earning less than \$20,000 were cost burdened, making these households much more vulnerable to homelessness. And between 2010 and 2019 all income brackets saw an increase in cost burdening, including higher income renter households earning over \$75,000 per year and those earning between \$35,000 and \$49,999 per year.

**Figure 13. Renter Cost Burden Rates, By Household Income, Pierce County, 2010 and 2019**

Data source: United States Census Bureau. 2010 and 2019 American Community Survey one-year estimates, Table B25064



<sup>12</sup> U.S. Census Bureau. American Community Survey, one-year estimates, table B25106, 2019.



Spending a high share of a small income on rent leaves too little available for emergencies and unexpected expenses, heightening the risk for eviction and homelessness. The research is clear that Pierce County's housing market dynamics are directly linked to high rates of homelessness.

## Housing Market Comments from the Focus Groups

Focus group participants emphasized the barriers they face in the housing market and how these barriers can lead to homelessness. The lack of vacancy and high rental prices reduced the ability of clients to find housing they could afford on their own and also increased the difficulty of using subsidies or housing vouchers. In a competitive market, landlords can be selective. Participants suggested that their ability to find stable housing was lower if they had lower credit scores, any prior evictions, a criminal history, lack of consistent rental history, or insufficient stable income (3 times the rent).

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ECONorthwest conducted focus groups in December 2021 with adult clients receiving homelessness services through Pierce County and service providers in Pierce County with lived experiences of homelessness. See Appendix B on page 66 for more details on methods and key findings.

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Both focus group providers and clients experienced rental prices that were too high, even while working full time at a minimum wage job, requiring many to take steps like working multiple jobs or working overtime, or adding additional people to the unit. Focus group participants identified high rents and high upfront costs such as first/last month's rent and security deposits as barriers to housing. They also identified high medical needs and costs for both adults and dependents that compounded their ability to afford market rents. Many also commented that the limited duration of rental assistance was worrying in the high rent market, as they feared how they would cover full rental costs when their assistance expired.

## Behavioral Factors Influencing Homelessness

Empirical studies typically evaluate the rates of homelessness in a community to draw conclusions on the community-level factors that influence overall inflows into homelessness. For numerous reasons relating to study design and data availability, few empirical studies evaluate the personal circumstances that lead to homelessness on an individual level, but some communities are developing and deploying screening tools to evaluate the factors that can predict homelessness generally or high-cost homelessness.

A 2019 literature review of homelessness prevention systems in New York City and Alameda County, California found that aside from previous experiences in shelters and being doubled-up with another household, the strongest predictors of homelessness included:<sup>13</sup>

- Having a pending eviction (whether a verbal threat or official notice),
- Being a recipient of public assistance, and

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<sup>13</sup> Marybeth Shinn and Rebecca Cohen. *Homelessness Prevention: A Review of the Literature*. (Center for Evidence-Based Solutions to Homelessness, 2019). [http://www.evidenceonhomelessness.com/wp-content/uploads/2019/02/Homelessness\\_Prevention\\_Literature\\_Synthesis.pdf](http://www.evidenceonhomelessness.com/wp-content/uploads/2019/02/Homelessness_Prevention_Literature_Synthesis.pdf).

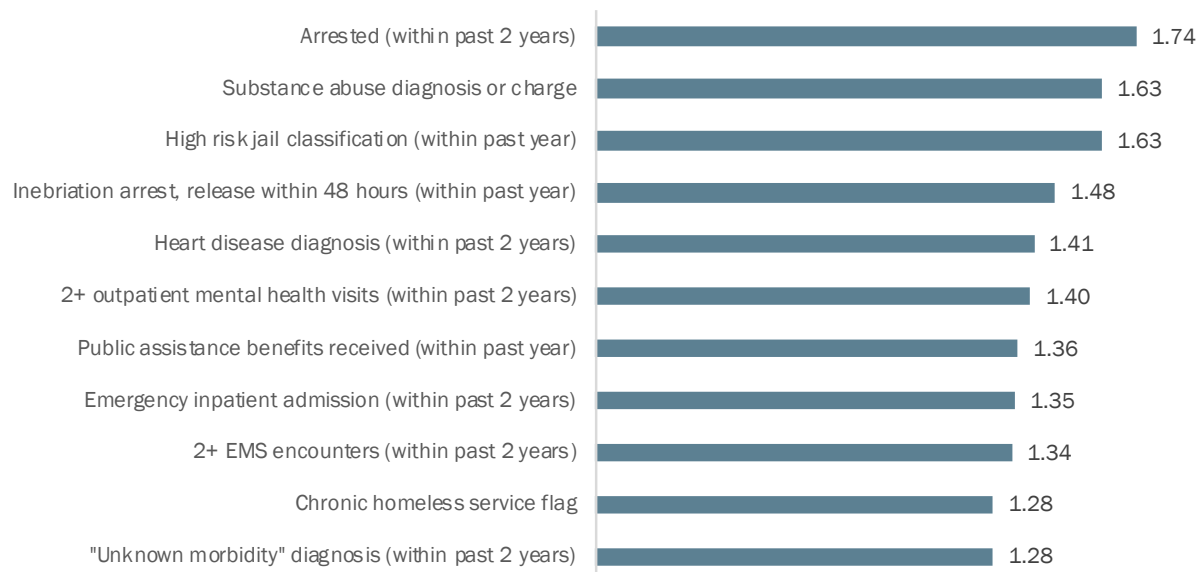


- Having high levels of rent arrears or debt.

Other researchers have come to similar conclusions as Yu in 2018, finding that homelessness is connected to the conjunction between personal factors (addiction, family disruptions, mental illnesses) and structural forces relating to housing cost and availability, low incomes, and insufficient mental health services.<sup>14</sup>

In a similar vein, the California-based Economic Roundtable developed a predictive analytic tool that anticipates a homeless individual's future *public costs* based on 38 individual-level demographic, criminal justice, health diagnostic, emergency service, and behavioral health variables. The emergency services and criminal justice variables show the strongest predictive power, as described in Figure 14.

**Figure 14. Characteristics Predictive of Homelessness in Santa Clara County, CA**



Source: Toros, Halil and Daniel Flaming. (2018) Prioritizing Homeless Assistance Using Predictive Algorithms: An Evidence-Based Approach. *CityScape: A Journal of Policy Development and Research*. Vol. 20 (1).  
*Interpreting odds ratios: an individual with this characteristic is X times more likely to be in the high-cost group than an individual without this characteristic.*

One of the difficulties in studying the behavioral characteristics that lead to homelessness is understanding the direction of causality: while these factors may influence inflow into homelessness, many are also the direct result of homelessness or worsen with prolonged experiences living in shelters or on the streets. In a just-published study, researchers find that the causal relationship between addiction and homelessness is bidirectional in that addiction can lead to homelessness, but

It is clear that more extensive research needs to be done regarding the relationship between behavioral health and homelessness.

<sup>14</sup> Such as: Mago, V.K., Morden, H.K., Fritz, C. et al. "Analyzing the Impact of Social Factors on Homelessness: a Fuzzy Cognitive Map Approach," *BMC Med Inform Decis Mak* 13, no. 94 (2013). <https://doi.org/10.1186/1472-6947-13-94>; Jack Tsai, "Systematic Review of Psychological Factors Associated with Evictions," *Health and Social Care* 27, no. 3 (2019): e1-e9. <https://doi.org/10.1111/hsc.12619>.



homelessness can also spur addiction or make an existing addiction worse.<sup>15</sup> As no two experiences with homelessness are the same, some individuals may enter homelessness due to substance use disorders, while others begin using substances to stay awake (or to sleep) or to stay safe while on the streets.

### Focus Group Comments on Behavioral Factors and Homelessness

Within our focus groups, clients and providers identified difficult life situations and circumstances beyond their control (such as being laid off from a job) as instigating homelessness. Some also identified personal difficulties such as addiction or mental health difficulties influencing entrance into homelessness. In some cases, these characteristics also negatively impacted their ability to seek, receive and maintain access to services but in others, the higher level of need opened access to services previously unavailable.

## Inflows to Pierce County's Formal Homelessness System

The factors described above, and other local conditions, have combined to produce a flow of individuals into Pierce County's homelessness system that has increased over the last decade. Our analysis of HMIS data indicates that the system received a monthly average of about 630 individuals (about 370 households) not otherwise receiving services from the system when they entered the system in 2013. This inflow grew to 1,200 individuals (about 600 households) per month in 2019.

Due to COVID-19 related policy responses such as prohibitions on evictions and possibly the COVID-19 pandemic itself, inflows fell somewhat in 2020 and 2021 (based on partial data). However, county staff also reported a reduction in outreach and coordinated entry system access, which could have affected individuals attempting to access services. To the extent that concern about COVID-19 infection or reduced outreach and access has prevented individuals from seeking services, slowing inflows may prove temporary and do not reflect improvement in the underlying factors that lead to homelessness. As illustrated elsewhere in this report, the housing market has grown more challenging during the COVID-19 pandemic.

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According to HMIS data, of people experiencing homelessness in 2020...

More than 50% had no prior record of receiving services,

About 17% had previously received services,

And 30% were already receiving services at the beginning of the year.

---

These inflows represent a combination of individuals who had not previously experienced homelessness, as well as individuals returning to homelessness. Just over half of individuals identified as having experienced homelessness during 2020 had no prior record of receiving services in the available HMIS data; about one-sixth had previously received services from

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<sup>15</sup> Kelly M. Doran, Callan Elswick Fockele, and Marcella Maguire. *Overdose and Homelessness — Why We Need to Talk About Housing*. (Journal of American Medical Association Network Open, 2022). doi:10.1001/jamanetworkopen.2021.42685.



Pierce County's formal system; the remaining one-third were already receiving services at the beginning of the year.



## 4. Homeless Systems in Pierce County

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This section describes Pierce County’s homeless system and includes a discussion of the literature on the most effective programs at helping people exit homelessness.

### Prevention

Preventing homelessness is a critical part of any homeless system. However, the most effective way to prevent homelessness is to ensure a sound social safety net and to address the numerous societal factors that allow homelessness to happen. As described in the prior section, this would include interventions in the housing market, income, education, and healthcare, as well as dismantling systemic racism that perpetuates housing inequity for people who do not identify as White.

However, research demonstrates that many individuals and households who are at high risk of homelessness manage to avoid entering shelters. One study found that “even among those considered to be in the highest-risk categories, the majority of families did not enter shelter.”<sup>16</sup> This ability of many households to self-resolve also makes studying the effectiveness of programming difficult without randomized control trials to know how households would have fared absent an intervention.

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The U.S. does not provide sufficient income or housing support to close the structural gaps that cause people to enter into homelessness.

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Organizations throughout Pierce County offer homelessness prevention assistance, most in the form of short-term (or one-time) shallow rent assistance. However, focus group participants said people can only apply for assistance when they have an eviction pending. While this is likely the case because providers have insufficient funding and thus must prioritize the direst cases, conversations in the focus groups suggested frustration with this structure and desires to receive assistance before circumstances reach this stressful and chaotic point.

### Current Shelter and Programming Options

According to the Pierce County Continuum of Care’s *5-year Plan to Address Homelessness*, the County’s homelessness system is designed to work as follows (see Figure 15):

*The “front door” to our homeless crisis response system is referred to as Coordinated Entry. People experiencing homelessness can call 211, set an appointment at a specific location, drop in to a “same day” site, or engage with an outreach worker to access Coordinated Entry. During an intake conversation, their situation is assessed, and they may get support resolving their housing crisis through a Diversion Conversation and are prioritized for a housing program referral.*

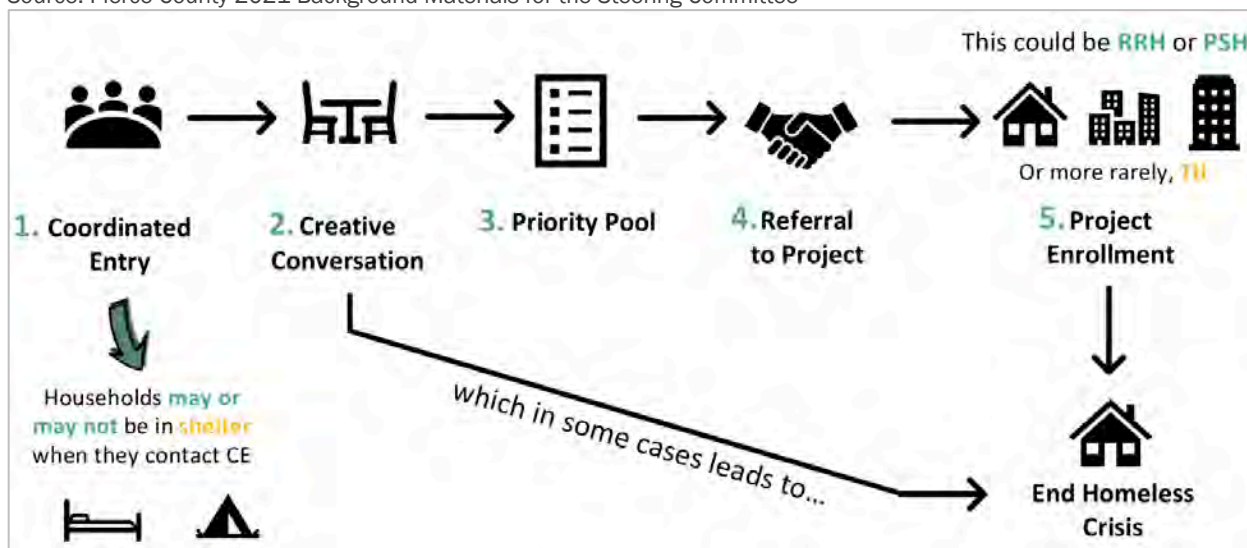
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<sup>16</sup> Shinn and Cohen, 2019.



**Figure 15. Pierce County Homeless Crisis Response System**

Source: Pierce County 2021 Background Materials for the Steering Committee



**Figure 16. Descriptions of Pierce County Homeless Services**

Source: Pierce County Human Services Website

**Outreach.** Outreach services are critical for identifying and addressing the immediate need of persons and families experiencing homelessness, especially those who are unable or unwilling to accept emergency shelter services. Outreach services include connecting people to behavioral health services, such as recovery programs or mental health services, as well as helping people to meet their most basic needs of food, clothing, and medical care.

**Coordinated Entry.** Coordinated entry makes it easier for people experiencing homelessness to access housing and supportive services, when available, as well as other mainstream services available in the community. When a person experiencing homelessness reaches out for help, coordinated entry uses a uniform assessment to identify the person's strengths, resources, and barriers to housing. Through coordinated entry, a single database keeps track of the available beds and services throughout the community to identify the best program available for each person.

**Short-Term Problem Solving.** It can be an uphill battle to exit any length of homelessness. Short-term problem solving techniques make homelessness rare by meeting a housing crisis head on with the creativity and resources of the person experiencing the crisis. By helping them to leverage their natural resources—their family, friends, and faith communities—people can find housing solutions at a critical moment. And by supporting them with limited financial assistance, such as a one-time bill payment, or help purchasing food, or help finding a job or addressing health and safety needs, problem-solving assistance can provide support to help them stay housed.

**Rapid Re-Housing.** Rapid re-housing moves people quickly from homelessness to housing by providing short-term rental assistance accompanied by support services such as housing search assistance, move in costs, employment training, and connection to mainstream services such as behavioral health programs. In rapid re-housing, services and rent support are offered to help stabilize people in their housing and prevent them from becoming homeless again.



**Transitional Housing.** Transitional Housing provides individuals and families experiencing homelessness with the interim stability and support to successfully move into and maintain a permanent housing solution. These programs are limited to households that, due to a disability or other factors (such as engagement with the family welfare system), need temporary housing that permits stays longer than emergency shelter.

**Permanent Supportive Housing.** Permanent supportive housing can provide a stable living situation to people with significant barriers to housing, such as a long history of homelessness or a disability. Housing is paired with access to long-term supportive services—including mental and physical health services, substance use recovery, and vocational training—helping people to stay housed.

**Permanent Housing.** Access to permanent housing ends the crisis of homelessness. By helping people return to the stability or permanent housing and self-sufficiency, we can make homelessness a non-recurring occurrence. We are working with homeless housing agencies and local landlords to quickly move people experiencing homelessness back into a home of their own.

## Focus Group Comments on Pierce County's Systems

While the system is designed to ensure an efficient process that resolves each individual's housing crisis, the reality on the ground is much more complicated. This section describes several key themes on the successes and challenges with Pierce County's current system with information gathered from the focus groups conducted as part of this analysis. A full discussion of the methods and key findings from the focus groups can be found in Appendix B on page 66.

### Outreach and Case Management

Many client participants stressed the importance of their relationship with their caseworkers who helped them understand and navigate the complex system. Many said that their caseworkers assisted with paperwork, program requirements, timelines, and the bureaucracy related to services that they struggled to navigate on their own. Caseworkers were also important in contacting and encouraging focus group participants to attend the focus groups. Some clients discussed seeing or hearing about people navigating the homeless systems with caseworkers who were less involved and "just in it for the paycheck," implying that without a good caseworker and a strong relationship, access to resources and support could vary.

From the provider perspective, participants suggested that the job was both deeply rewarding and emotionally draining: the emotional labor, time commitment, and growing caseloads were taxing and underpaid. As the focus group provider participants had all experienced homelessness themselves, they understood what their clients were going through and were able to bring an important sense of empathy to the position. However, they also acknowledged that higher wages, lower caseloads, and more flexibility to help clients outside of the tight constraints of the "funding rules" would make their jobs easier and result in better client outcomes.



Lastly, caseworkers also discussed the importance of timing when a caseworker is assigned to a client, and how long they remain paired. Some clients indicated that they would have benefitted from being assigned a caseworker earlier in their process, at the time of first engagement with services. Some clients were concerned about losing their caseworker when their housing benefits expired, and some caseworkers struggled to balance the timelines of being assigned to someone and the length of time state assistance paperwork takes.

Participants also discussed the high turnover and labor shortage in the industry: the position's low pay and high emotional labor causes burnout, high turnover, and difficulty recruiting. At least one of the provider participants who had experienced homelessness in the past were also struggling to find suitable housing themselves.

### All-or-Nothing Support Services

Another theme that emerged from the focus groups was the drastic difference in quality of life before and after receiving services, framing it as an all-or-nothing experience. Many also were frustrated that a particular situation needed to devolve to crisis levels before that person would be prioritized for services.

All the clients we spoke with were stably housed, and those with housing support from the County were very pleased with their situations. They felt that the coordination of care among the County and providers was good, and they had the support they needed related to food, childcare, employment, and medical needs. When asked what more they needed, they didn't identify any additional needs that weren't already being met. Clients preferred supports that were not time restricted over those that were restricted.

Some of those that were in permanent supportive housing said that the housing security they were being provided had allowed them to work on fixing their addiction and mental health issues. Another spoke of getting support in "life skills," getting her GED, and being able to start a nursing program. Through discussions, it became clear that not having to worry about finding and paying for lodging allowed client participants to work on improving other areas of their lives.

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It was clear that not having to worry about finding and paying for lodging allowed client participants to focus on improving other areas of their lives.

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In contrast, client participants also discussed how challenging life was before they accessed services, describing it like winning the lottery. Client participants suggested that they were only able to get support when their circumstances devolved to such a point that they were prioritized for county services. These included an impending eviction, reporting drug use, severe mental or physical health conditions, having young children to care for. They struggled with the system's all-or-nothing services and resented that their individual circumstances had to devolve so far before being prioritized (for example, receiving rent assistance before an eviction notice was served).



Lastly, client participants discussed worrying about the “benefits cliff” that occurs when they have services but increase their hours, income, or both, and risk losing their benefits. This was part of the criticism of the all-or-nothing system. One participant recalled an example of being \$20 over an income limit for services and thus not qualifying for anything. While this is challenging for qualifying for services, it also limits participants’ ability to gradually increase their incomes or make other life improvements. Many suggested they would prefer that benefits declined more gradually with income.

## Challenges with Shelters

Before receiving housing services, many participants reported cycling in and out of shelters and struggling to find shelters with open beds. Clients discussed the numerous barriers at shelters, such as:

- Not being allowed to bring pets,
- Having more children than were allowed (only two were allowed in this example),
- Having their belongings stolen,
- Adhering to strict schedules, and
- Generally feeling disrespected in that environment.

Client participants mentioned that, if they were able to secure a shelter bed, they had to adhere to strict and sometimes inconvenient schedules, such as showering at a certain time or being out of the shelter during the day. When they could not secure a shelter bed, they said they slept on the streets, in a car, or with friends or family members. Client participants wanted to see an increase in the number of shelter services available, since there were many times when they wanted a shelter bed and couldn’t find an opening.

## Better Access to the Right Services

In addition, client participants stressed the need for better access to the *right level* of services, not only for themselves but for other residents in their buildings. Some participants needed better access to addiction and mental health services than they were receiving, and also wanted higher-needs neighbors moved into higher-level service settings to feel more safe and secure (this was true at shelters and some PSH facilities).

While the system has been designed to work in a logical and efficient manner, the reality from individuals moving through the system varies significantly.

# Exiting Homelessness

## Exits from Pierce County’s System

As illustrated in Figure 15 on page 26, helping individuals resolve their housing crisis is potentially a multistep process. Tracking outcomes and system monitoring is a similarly



multistep process. In this section we focus on system exits, presenting summary statistics, based on analysis of HMIS data, that describe exit outcomes and how those outcomes vary across service type and client demographics. Specifically, we examine the share of client exits that reflect successful transitions to housing and the length of time that successfully exited individuals remain housed.

The following service types are included in this analysis: emergency shelter (ES), transitional housing, permanent supportive housing (PSH), rapid re-housing (RRH), and diversion. Many emergency shelter clients do not enroll in additional services, sometimes because their housing situation resolves. Thus, their outcomes can provide a type of baseline for assessing outcomes for the other service types.

Each service type, however, provides a different set of services, intensity of services provided, and goals for clients (e.g., emergency shelter vs. PSH). As such, differences in outcomes should be expected, and the figures below are not meant as a comparative evaluation. Instead, they serve to help illustrate how clients move through and out of the system and suggest the effect of services on homelessness. But only rigorous evaluations, such as those described in the next section, can identify the extent to which a particular service or program ultimately improves client outcomes.

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Following HUD and Pierce County guidance we define a successful exit as exits to permanent housing (e.g., staying with family on a permanent basis; rental with a permanent subsidy) and, for diversion clients the above permanent housing exits as well as temporary housing (e.g., staying with friends on a temporary basis).

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Figure 17 provides a high-level overview of exits for the system's 2020 caseload. Overall, we identified about 9,400 individuals who exited one of the included programs during the year. Of these exits, 36 percent represented successful transitions, down slightly from 2019's figure (38 percent) and considerably lower than that for 2015 (51 percent). As illustrated in the figure, outcomes vary by service type. One quarter of emergency shelter exits were successful, while two-thirds of RRH exits were successful.

Outcomes also vary with client characteristics (see Figure 18). Successful exits as a share of all exits are much lower for single-person households and chronically homeless individuals than for other populations, with successful exit rates of about half the overall average. Households with children (any household that includes someone younger than 18), on the other hand have higher rates of successful exit.

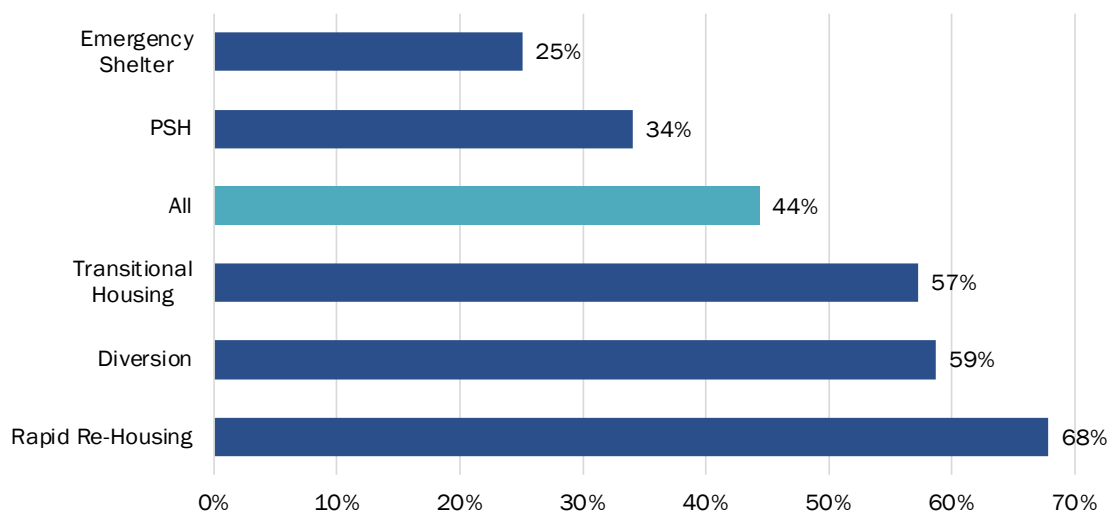
Note that goals for PSH differ from those of other service types. Specifically, providers seek to enroll individuals with an anticipation that they remain in the program, rather than exit. Put another way, the rate of successful exits from PSH understates the actual success of the program. We include PSH in the chart for completeness.



**Figure 17. Successful Exits as a Share of All Exits, by Service Type (2020)**

Source data: Pierce County HMIS

Note: Individuals who exit from multiple service types in a year appear multiple times in the table. Overall success rates are deduplicated.



**Figure 18. Successful Exits as a Share of All Exits, by Client Characteristics (2020)**

Source data: Pierce County HMIS

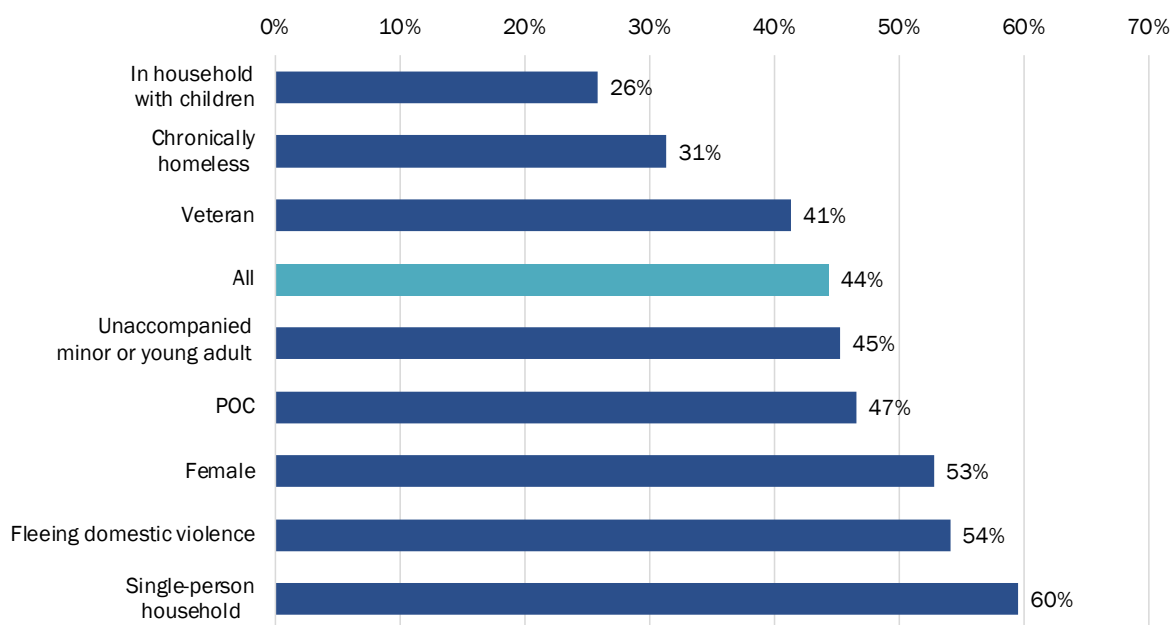


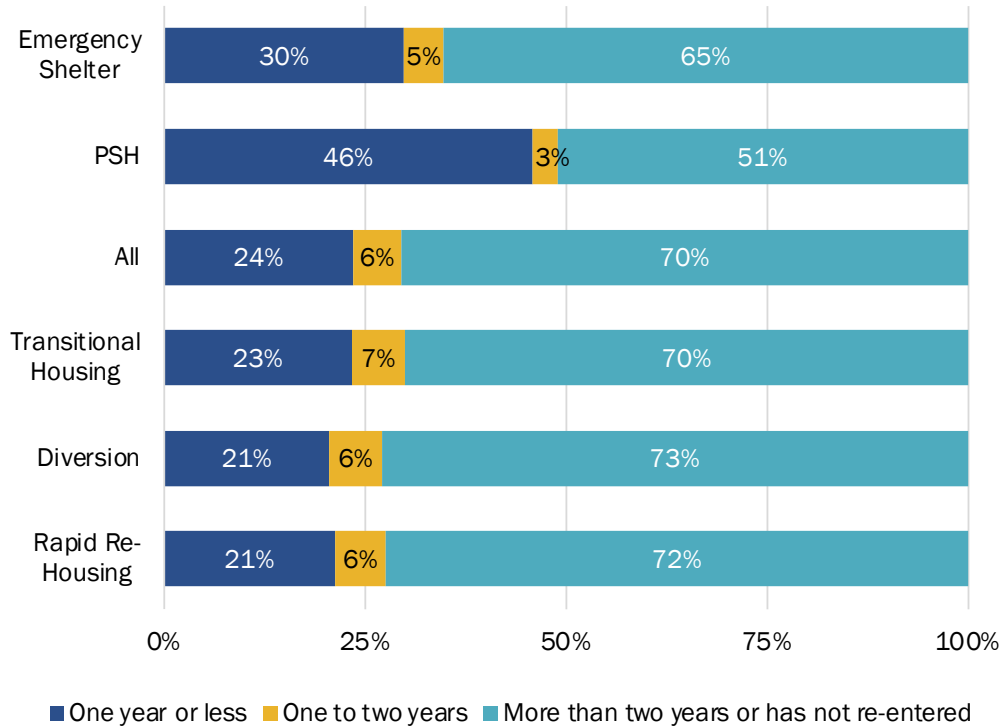
Figure 19 and Figure 20 display the distribution of time from successful exit until an individual reenters the formal Pierce County homelessness system by service type for the most recent exit during 2018 and by client characteristics, respectively. As suggested by the figure, clients identified as successfully exiting have a high chance of remaining housed for more than two years. Transitional housing clients, the smallest group of successful exiting clients, remain apparently housed for at least two years 50 percent of the time, and for service types with more



successful exits, this long-term success rate ranges from about two-thirds to three-quarters or more. These success rates have been fairly stable for the past several years.

**Figure 19. Time Until Reentry for Successful Exits, by Service Type (2018)**

Source data: Pierce County HMIS

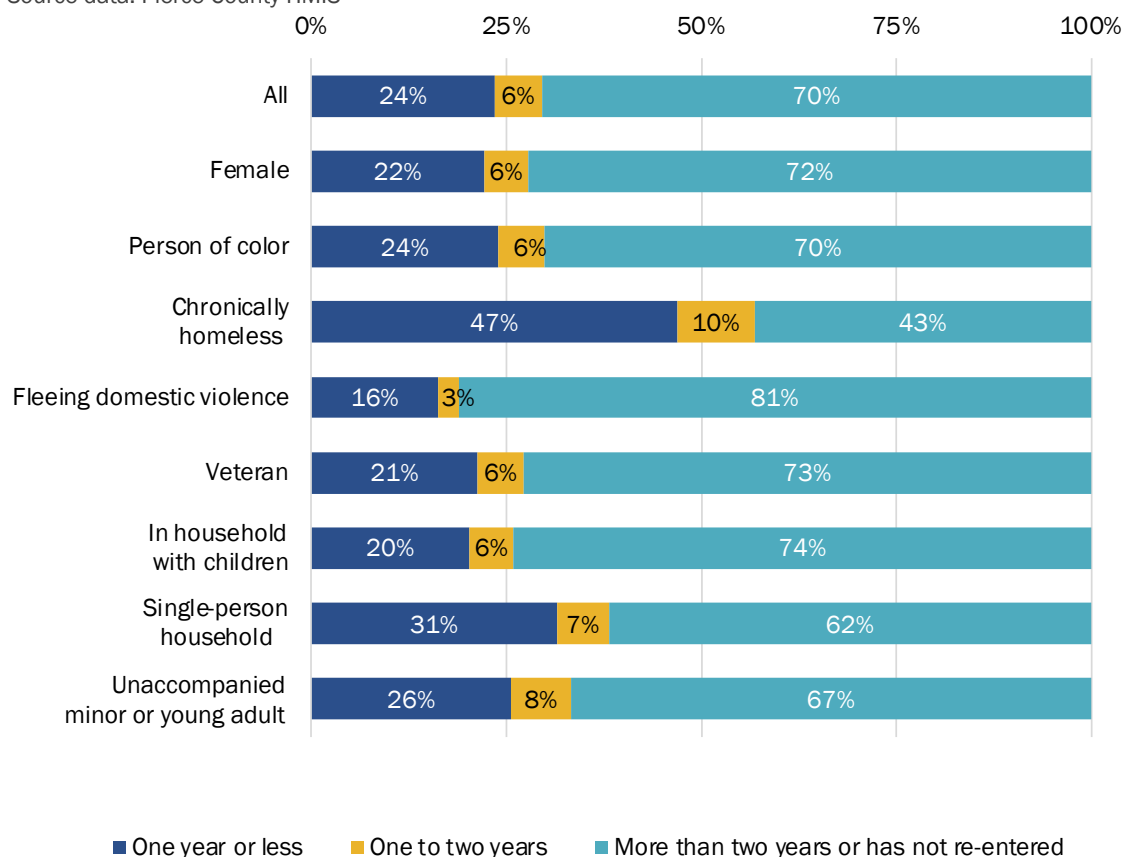


As demonstrated in Figure 20, long-term success also varies with client characteristics. Chronically homeless individuals have the lowest long-term success, while individuals fleeing domestic violence, veterans, and households with children having the highest among the populations examined.



**Figure 20. Time Until Reentry for Successful Exits, by Client Characteristic (2018)**

Source data: Pierce County HMIS



As with many aspects of homelessness system evaluation, data limitations present many challenges to tracking long-term success. Data on clients and their outcomes are often incomplete or missing; at present Pierce County cannot easily confirm long-term stability once a client is successfully housed, potentially meaning that the figures above present an overly optimistic picture of positive outcomes. Clients are only shown as returning to homelessness if they reenter the Pierce County homeless system. Entering a homeless system in another county or not entering any homeless system after becoming homeless again would produce a (false) positive outcome in the data. Of course, some clients who seemingly “disappear” from the system, whether because they leave the county or simply become unreachable will remain housed. These ambiguities underscore the need to continue ongoing efforts to improve the homeless system’s data collection.

Ongoing efforts to better count and track the population of people experiencing homelessness and system outcomes will help, but the nature of homelessness suggests that large gaps in the data will likely remain indefinitely. Consideration of emerging, rigorous, literature on what works to prevent and resolve homelessness can serve to reduce the uncertainty associated with the gaps in the data.



## Literature Review Findings

As noted earlier, statistical assessments of homelessness interventions are important when evaluating the effectiveness of programs because of the likelihood that families and individuals at risk of homelessness will self-resolve and avoid shelters. The gold-standard is the randomized control trial (RCT) where study participants are randomly assigned to receive the intervention or to receive services as usual, and then outcomes are studied over time. This section highlights the research literature on the efficacy and success of various types of homelessness interventions. Absent any other direction, improving or increasing service delivery in an area that has proven success is likely a good investment.

**Vouchers and long-term rent subsidies.** HUD's *Family Options Study* used a randomized control trial and found that compared to usual care, long-term, conventional housing subsidies provided to homeless families significantly reduced homelessness over the subsequent three years, reduced time in shelters, reduced housing instability, and improved outcomes related to family preservation, and child and adult well-being.<sup>17</sup> The use of long term subsidies also showed statistically significant improvements in several housing, child well-being, and family preservation outcomes when compared to RRH and TH programs as well. A more recent study from the Center on Budget and Policy Priorities evaluating federal rental assistance programs (Housing Choice Vouchers, public housing, and Section 8 Project Based Rent Assistance) found many of the same effects.<sup>18</sup>

**Rapid ReHousing.** In a 2015 study, the Urban Institute found that RRH is effective at helping families exit homeless shelters but is ineffective at providing long term housing stability. It notes that RRH models vary widely across communities making it difficult to study which pieces of the intervention are most effective and calls for future study. The *Family Options Study* found that families receiving community based RRH had almost no difference in outcomes compared to those assigned to receive usual care. This was the case across housing stability, family preservation, or adult and child well-being at 20 months and 37 months post-intervention. Improvements in food security and total family income did appear at 20 months. The study notes: "It is most striking that, relative to usual care, priority access to the temporary rental assistance offered in the CBRR intervention does not show impacts on subsequent stays in shelter or places not meant for human habitation during the 3-year follow up period."

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<sup>17</sup> U.S. Department of Housing and Urban Development, Office of Policy Development and Research, *Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families* (Washington, DC: U.S. Department of Housing and Urban Development, October 2016).

<sup>18</sup> Will Fischer, Douglas Rice, and Alicia Mazzara, *Research Shows Rental Assistance Reduces Hardship and Provides Platform to Expand Opportunity for Low-Income Families*, (Washington, DC: Center on Budget and Policy Priorities, 2019), <https://www.cbpp.org/sites/default/files/atoms/files/12-5-19hous.pdf>.



Another randomized control trial evaluating RRH in Santa Clara County, California is currently underway.<sup>19</sup>

**Transitional Housing.** The *Family Options Study* found that project-based transitional housing (inclusive of services) generally did not achieve the goals of the program relating to assisting families facing unstable housing. “The lack of impacts on adult well-being and family self-sufficiency are particularly noteworthy here, given the emphasis placed by PBTH programs on delivering supportive services in these areas.” Across the outcomes evaluated (adult health in the past 30 days, psychological distress, alcohol dependence or drug abuse in the past 6 months, experienced intimate partner violence in the past six months, work for pay in week before survey, total family income, household is food secure) no impact was measured between the PBTH intervention and the usual care.

**Permanent Supportive Housing.** In 2018, the National Academy of Sciences surveyed the literature on the impacts of PSH on outcomes related to housing, health, or cost savings, and concluded that more research, including randomized control trials, was needed to determine cost effectiveness.<sup>20</sup> More recently, a RCT was conducted in Santa Clara County, California in 2020 and demonstrated that PSH can increase the rate of housing placement for chronically homeless individuals and keep them housed longer, while decreasing shelter use and psychiatric ED visits and increasing outpatient mental health care (the study showed no impact on medical ED, hospital, or jail visits).<sup>21</sup> This study used a triage tool to screen and assess the highest cost system users “frequent users” to include in the study. Changing the sample population undoubtedly affects outcomes. Due to the very high cost and intensive services associated with PSH, screening and redirecting the highest need cases is an important step.

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<sup>19</sup> James Sullivan and David Phillips, *Rapid Re-Housing to Reduce Homelessness in the United States*, (Cambridge, MA: Abdul Latif Jameel Poverty Action Lab, 2018), <https://www.povertyactionlab.org/evaluation/rapid-re-housing-reduce-homelessness-united-states>.

<sup>20</sup> The National Academies of Sciences, *Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness*, (Washington, DC: National Academies Press, 2018), 6.

<sup>21</sup> Maria C. Raven, Matthew J. Niedzwiecki, and Margot Kushel, “A Randomized Trial of Permanent Supportive Housing for Chronically Homeless Persons with High Use of Publicly Funded Services,” *Health Research Services* 55, no. 53 (2020): 797-806. <https://doi.org/10.1111/1475-6773.13553>.



## 5. Financial Analysis

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This section analyzes the sources and uses of funding on homeless services, by Pierce County and other entities operating within the County. It also includes a discussion of the indirect costs of homelessness to municipal and economic systems, and an estimate of indirect spending on homelessness in Pierce County.

### Direct Spending on Homelessness

In this analysis we have attempted to capture spending on homelessness that is outside of what one typically thinks of as traditional homelessness service spending. This analysis includes federal spending on housing choice vouchers as homelessness prevention, identifies McKinney-Vento homeless student services spending in public school districts, includes funding from the Department of Veteran's Affairs (federal and state), and includes some information on private donations to nonprofit organizations gathered by Pierce County. Despite casting a wide net, this analysis likely undercounts the true spending across the county. Due to data availability, known omissions include the full scale of private donations and philanthropic funding flowing to nonprofit organizations, any funding flowing to the Puyallup Tribe, and healthcare spending related to homelessness (such as Medicaid or direct behavioral healthcare spending).

**Funding sources.** To complete this analysis, we gathered information on the following funding sources. Data are for the 2020-2021 calendar or fiscal year (representing a 12-month period).

- Pierce County Community Services Department
- City of Tacoma Neighborhood & Community Services Department
- City of Puyallup 2021-2022 Adopted Budget
- HUD Office of Public and Indian Housing 2021 HCV Renewal Funding Awards
- HUD Awards and Grants (CDBG, HOME, ESG) Database
- Washington State Department of Veterans Affairs
- Washington State Office of Superintendent of Public Instruction
- Tacoma School District

**Funding uses.** Although many uses overlap, and many organizations, properties, and service providers offer multiple services, with the help of County staff, we have sorted spending into these 10 mutually exclusive categories.

- |  |                              |
|--|------------------------------|
| 1. Prevention (including rent assistance and federal vouchers) | 5. Outreach services         |
| 2. Coordinated entry   | 6. Rapid Rehousing (RRH)     |
|  | 7. Transitional Housing (TH) |



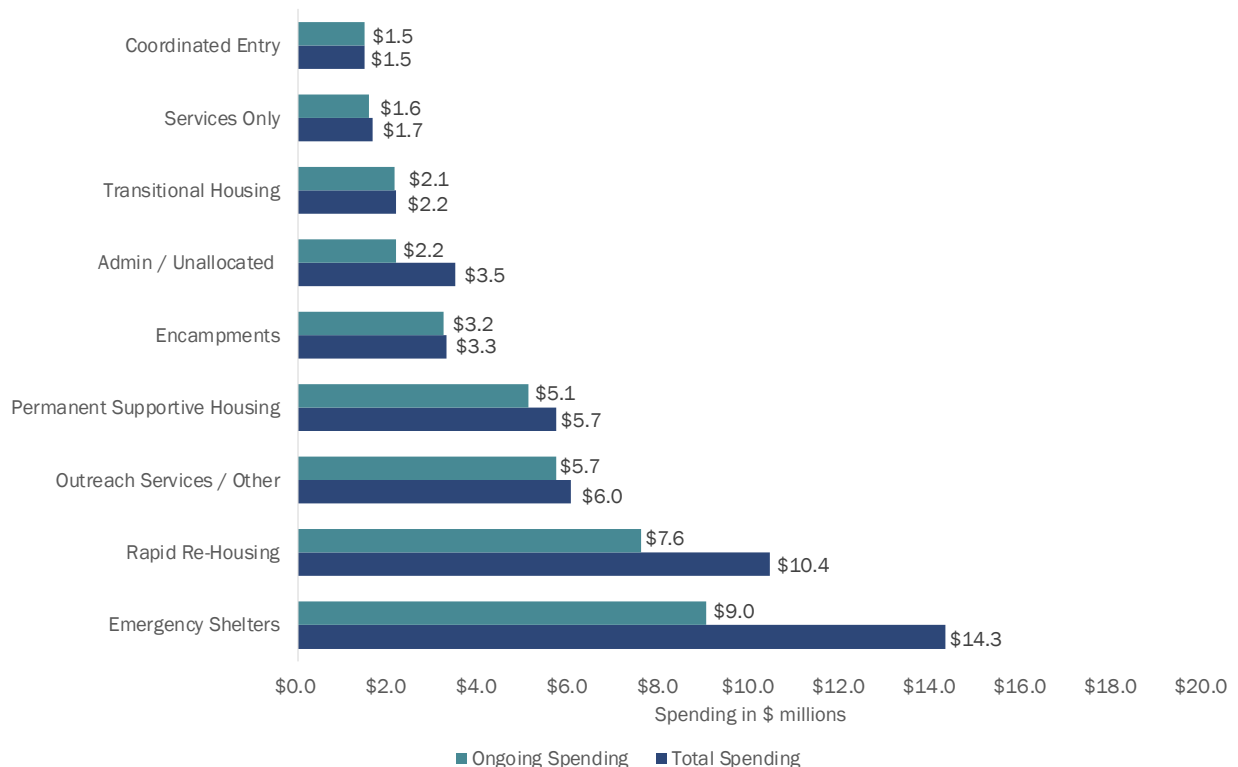
3. Administration (including unallocated funds)
4. Emergency shelters
8. Permanent Supportive Housing (PSH)
9. Services only, and
10. Encampments

Taking these categories and spending types into consideration, we calculate that in the 2020-2021 fiscal year, Pierce County government agencies and nonprofit organizations spent approximately \$245 million on efforts to prevent homelessness and serve individuals and households experiencing homelessness. Importantly, as this time period included the COVID-19 pandemic, this figure includes approximately \$125 million of one-time COVID relief dollars from the CARES Act and American Rescue Plan Act. Thus, the County and its service providers spent about \$120 million annually to prevent homelessness and serve those experiencing it.

Of these programs, providers within the county spent \$82 million on prevention (through housing choice vouchers), about \$9.0 million on emergency shelters, \$7.6 million on rapid rehousing, \$5.7 million on outreach services, \$5.1 million on permanent supportive housing, \$3.2 million on encampments, and \$2.1 million on transitional housing (all ongoing spending). Figure 21 displays these categories, excluding prevention spending which distorts the axis. **Error! Not a valid bookmark self-reference.** demonstrates total and ongoing spending by use category for the 2020-2021 fiscal year.

**Figure 21. Pierce County Homelessness Spending by Use Category in \$M, FY2021**

Source: ECONorthwest Analysis of data from Pierce County, U.S. Department of Housing and Urban Development, City of Tacoma, Washington Department of Veterans Affairs, and the Washington Office of the Superintendent of Education.





Notes: Data are for 2020-2021 years. Data exclude Prevention spending which distorts the X-axis.

Figure 22 below demonstrates the variety of sources that fund these homeless services across Pierce County. Since we include federal spending on housing choice vouchers as homelessness prevention flowing to the Pierce County Housing Authority and the Tacoma Housing Authority (\$29.6 million and \$51.6 million, respectively in FY21<sup>22</sup>), the majority of funding in the figure below comes from federal sources. This spending is ongoing and bypasses the state and county going directly from HUD to the housing authorities. In addition, because the state received and administered funds from the CARES Act and American Rescue Plan Act, the one-time federal pass-through state figure is large (\$90 million). In this figure, local funds include City of Tacoma and Puyallup General Funds, Mental Health Substance Use Disorder (MHSUD) grants, and the Document Recording Fee. Very little funding originates at the county.

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<sup>22</sup> Total funding for the housing authorities came from the “2021 HCV Renewal Funding Awards” available on HUD’s website. [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/fmd](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/fmd) While not all vouchers target extremely low-income households, a more nuanced breakdown by voucher type was unavailable.



**Figure 22. Pierce County Total and Ongoing Homelessness Spending by Source, FY2021**

Source: ECONorthwest Analysis of data from Pierce County, U.S. Department of Housing and Urban Development, City of Tacoma, Washington Department of Veterans Affairs, and the Washington Office of the Superintendent of Education.

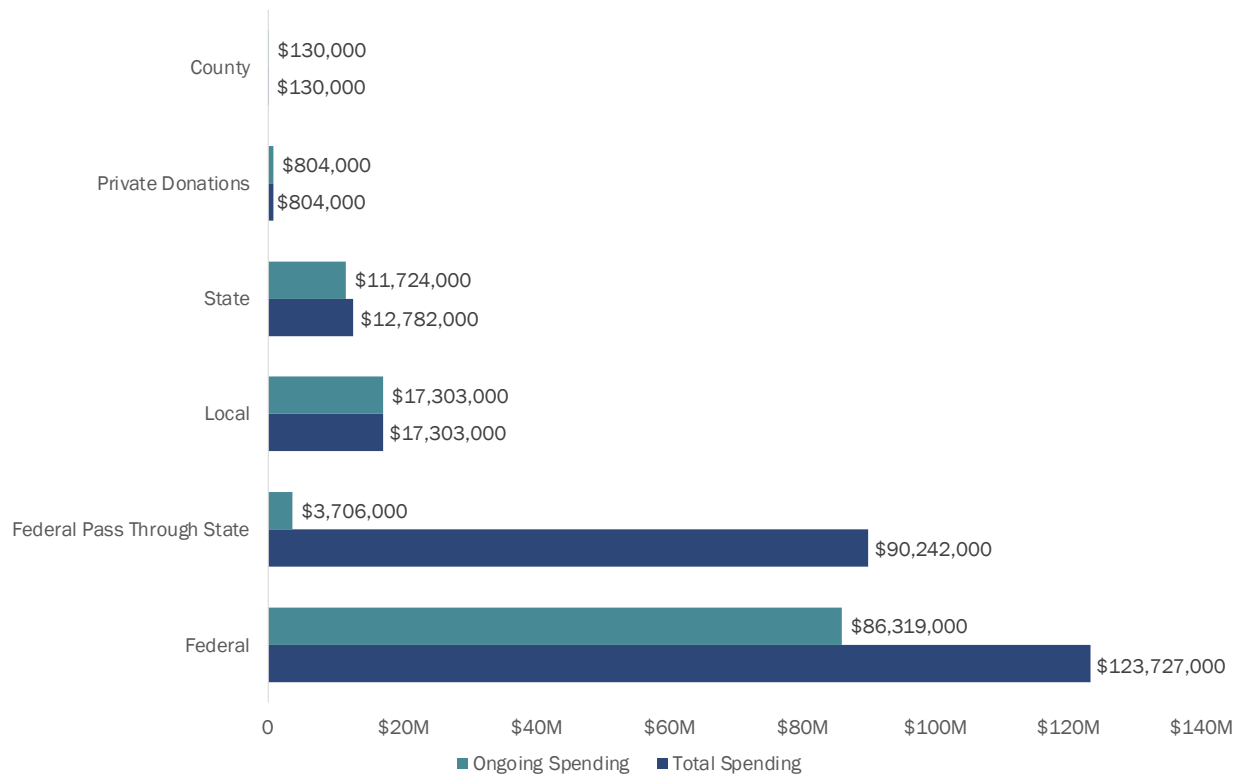


Figure 23 below shows one-time funding by source for FY2021. The American Rescue Plan Act was the largest with nearly \$92 million flowing through the County to Tacoma, Puyallup, Tacoma School District, and nine nonprofits. A very small portion of this funding, approximately \$230,000 was unallocated as of fall 2020. The \$1 million in one-time Special Purpose Grants went to the City of Tacoma for three shelters.



**Figure 23. Pierce County One Time Homelessness Funding by Source, FY2021**

Source: ECONorthwest Analysis of data from Pierce County, U.S. Department of Housing and Urban Development, City of Tacoma, Washington Department of Veterans Affairs, and the Washington Office of the Superintendent of Education.

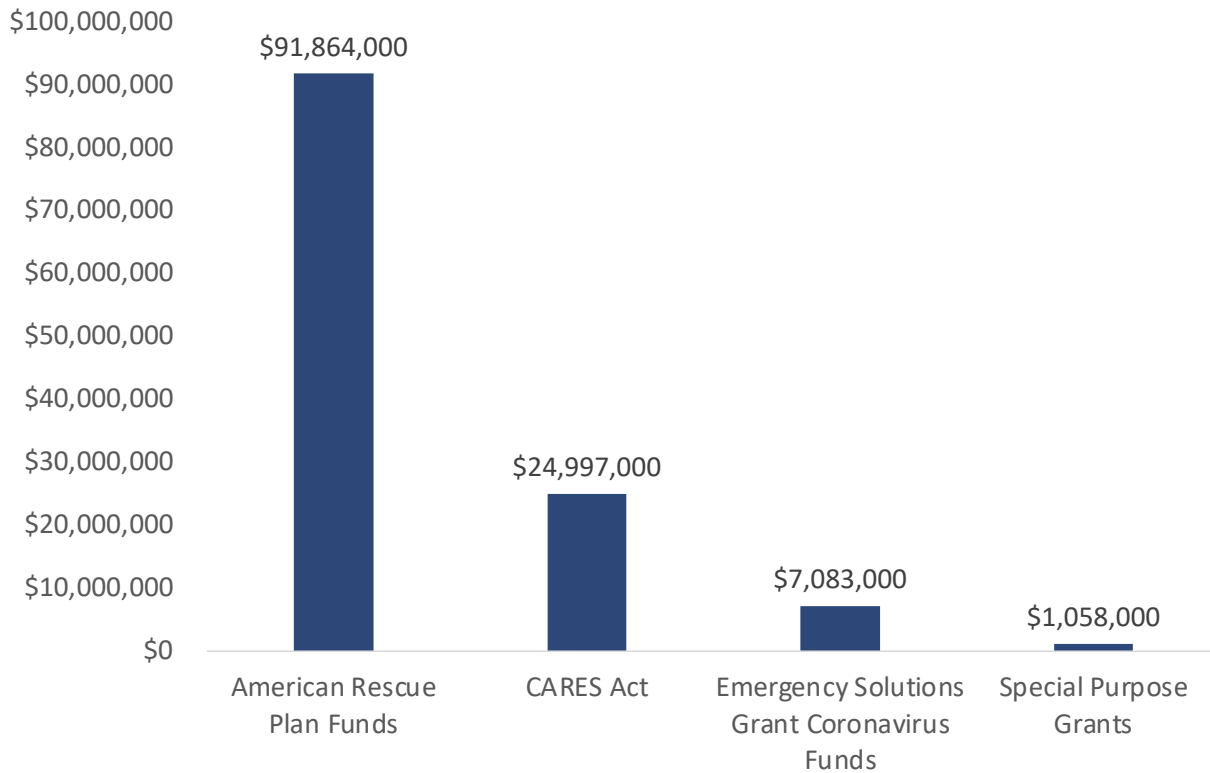
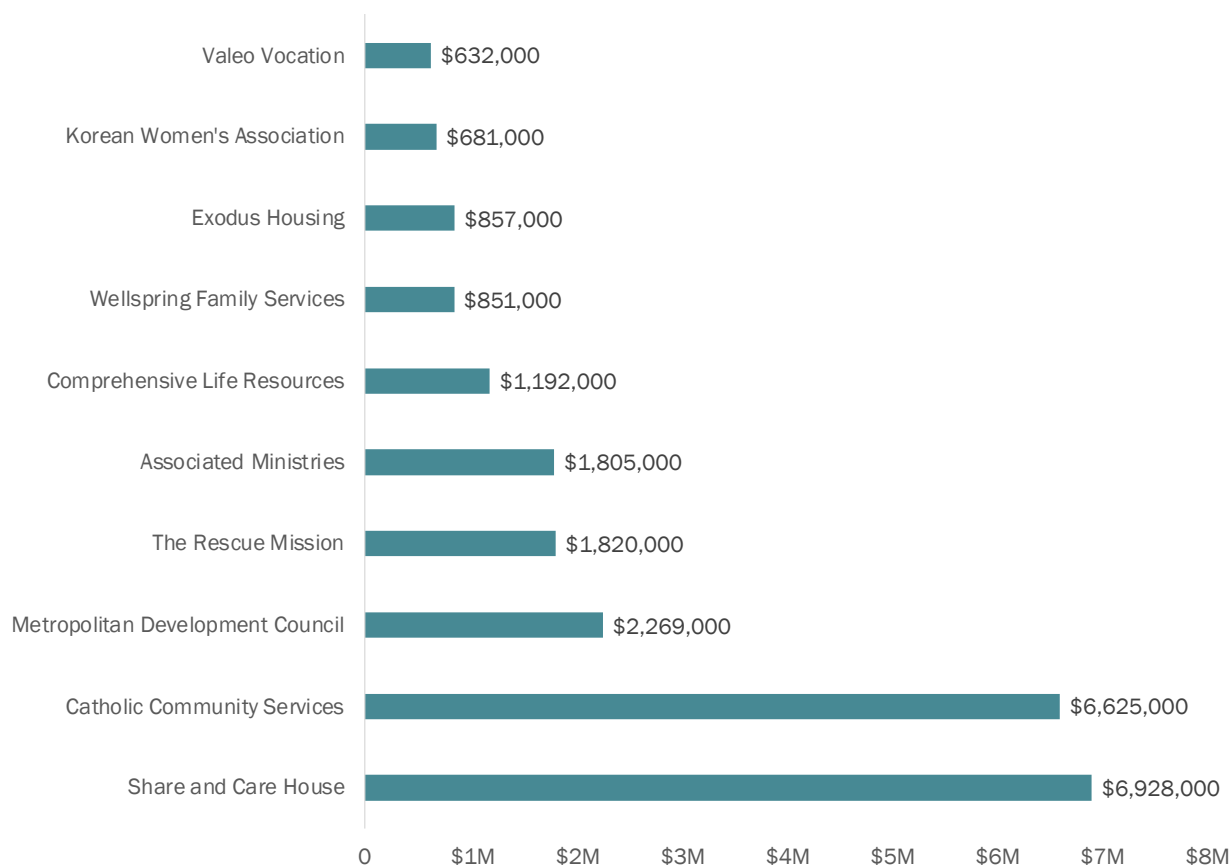


Figure 24 below shows ongoing funding to the ten largest private organizations in the County. While this analysis does include some private donations, it does not capture all private donations to these and other organizations operating in the County. In addition, data on philanthropic funding to these organizations was unavailable, and could be in the millions.



**Figure 24. Ongoing Funding to the Ten Largest Private Organizations in Pierce County, FY2021**

Source: ECONorthwest Analysis of data from Pierce County, U.S. Department of Housing and Urban Development, City of Tacoma, Washington Department of Veterans Affairs, and the Washington Office of the Superintendent of Education.



## Indirect Costs of Homelessness

The costs of homelessness extend beyond the costs to the individual and beyond the direct system costs of homeless services. This section summarizes findings from the literature and applies those findings to provide a high-level estimate of the indirect costs of homelessness in Pierce County.

### Overview of Indirect Costs

Homelessness imposes indirect costs across multiple systems, including healthcare, criminal justice, public safety, and other service systems. In addition, homelessness can impose costs on private businesses and reduce economic activity through lost productivity, damages, or declines in tourism in areas where homelessness is high.

Individuals experiencing homelessness, particularly chronically homeless, unsheltered individuals, are more likely to use crisis services such as emergency rooms and have more interactions with the criminal justice system than people not experiencing homelessness. Figure 25 presents four broad categories identified in the literature as having indirect costs on public



and private services due to homelessness. Note that these cost categories are not comprehensive.

**Figure 25. Indirect Costs of Homelessness, Cost Categories**

Source: ECONorthwest literature review.

Healthcare	Criminal Justice System	Public and Social Services	Economic and Other Costs
<ul style="list-style-type: none"> <li>Emergency rooms</li> <li>Inpatient and behavioral health services</li> <li>Outpatient services</li> <li>Costs of detox and treatment facilities</li> <li>Ambulatory services</li> <li>Costs of 911 responses</li> </ul>	<ul style="list-style-type: none"> <li>Costs of an arrest and jail stay</li> <li>Court costs</li> <li>Costs of crime (additional patrols, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Costs of encampment clean-up</li> <li>Costs of foster care for homeless children</li> <li>Costs of sanitation and street cleaning</li> </ul>	<ul style="list-style-type: none"> <li>Reduced tourism</li> <li>Reduced economic activity</li> <li>Costs due to reduction in perceived public safety</li> </ul>

There is a wide and growing body of literature focused on examining the indirect costs of homelessness, particularly within the context of estimating the cost effectiveness of permanent supportive housing and other interventions.

Most available studies focus on quantifying costs by conducting surveys of individuals before and after placement in housing to determine potential cost savings. Most studies of permanent supportive housing report positive cost savings from the intervention; however, the results are mixed, and the analytical rigor of the studies varies. Costs reported in the research also vary widely depending on the community, the homeless population surveyed, and the analytical approach of the study.

One of the most rigorous attempts at quantifying costs is described in a 2015 Economic Roundtable report prepared for Santa Clara County. The researchers developed a cost model that attempted to predict the indirect costs a homeless person might incur in the future. The researchers analyzed data on 104,206 individuals across six years and the effort is the “largest and most comprehensive body of information that has been assembled in the United States to understand the public costs of homelessness.”<sup>23</sup>

In all, the researchers found that the average indirect cost per homeless individual was \$5,148 per year. Chronically homeless individuals averaged \$13,661 in indirect costs per year. However, the range is large; the highest cost chronically homelessness individuals averaged \$83,000 per year.<sup>24</sup> Individuals with the top five percent highest indirect costs accounted for 47 percent of the \$520 million total Santa Clara County spent indirectly on homelessness, indicating that a small proportion of individuals impose the greatest share of systems costs. Of

<sup>23</sup> Flaming, Daniel, Toros, Halil, Burns, Patrick. (2015). “Home Not Found: The Cost of Homelessness In Silicon Valley.” *Economic Roundtable*.

<sup>24</sup> Includes those who are “couch serving” for long periods of time.

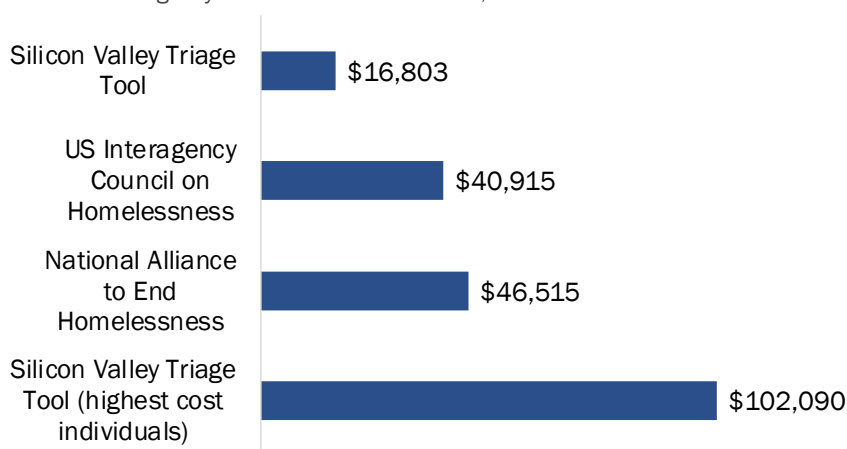


the total costs, 53 percent were healthcare expenditures, 34 percent were justice system costs, and 13 percent were social service system costs.

In 2017, the United States Interagency Council on Homelessness (USICH) reported that chronic homelessness cost taxpayers \$40,448 per year per individual, with hospital and behavioral costs accounting for nearly all of the spending.<sup>25</sup> The National Alliance to End Homelessness (NAEH) reported that chronic homelessness cost taxpayers \$35,578 per year per individual.<sup>26</sup> Figure 26 shows the range in the estimated annual costs per chronically homeless individual reported per study in 2021 dollars. A table showing indirect costs from a range of studies is included in Appendix D: Indirect Costs of Homelessness Table on page 75.

**Figure 26. Range of Average Annual Indirect Costs per Chronically Homeless Individual, 2021 dollars**

Source: US Interagency Council on Homelessness, National Alliance to End Homelessness, Silicon Valley Triage Tool



Studies that have attempted to quantify cost savings from housing assistance have focused almost exclusively on supportive housing.<sup>27</sup> Overall, the research suggests a causal effect of services on indirect costs for the high-cost population served. The research also shows that sheltering everyone will not necessarily reduce indirect costs on public systems to zero.

In the next section, we present high-level estimates on the indirect costs of homelessness in Pierce County and discuss potential cost savings due to placement in supportive housing.

<sup>25</sup> United States Interagency Council on Homelessness. 2017. "Ending Chronic Homelessness in 2017." [https://www.usich.gov/resources/uploads/asset\\_library/Ending\\_Chronic\\_Homelessness\\_in\\_2017.pdf](https://www.usich.gov/resources/uploads/asset_library/Ending_Chronic_Homelessness_in_2017.pdf).

<sup>26</sup> National Alliance to End Homelessness. 2017. "Ending Chronic Homelessness Saves Taxpayers Money." <http://endhomelessness.org/wp-content/uploads/2017/06/Cost-Savings-from-PSH.pdf>.

<sup>27</sup> Bernalillo County. (2016). "Housing Pathway Assessment and Return on Investment Analysis." <https://hsc.unm.edu/community/chwi/pathways/media/docs/reports/housing-roi-2016.pdf>.



## Estimating Indirect Costs of Homelessness in Pierce County

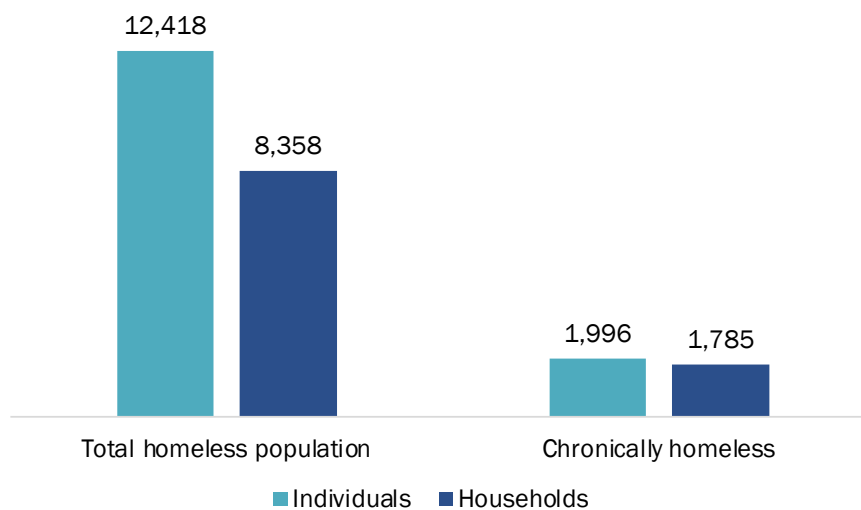
Due to the wide range in cost estimates from the literature and limited availability of cross-agency administrative data in this study (which is used in all other estimates of indirect costs), we rely on ranges and high-level cost categories.

To estimate the potential indirect costs of homelessness in Pierce County, we apply findings from the literature to person counts from the 2019 HMIS data.

Figure 27 shows our estimates of total homeless individuals and households and chronically homeless individuals and households in Pierce County from HMIS.

**Figure 27. HMIS Counts of Homeless Individuals and Households, Pierce County, 2019**

Source data: Pierce County HMIS



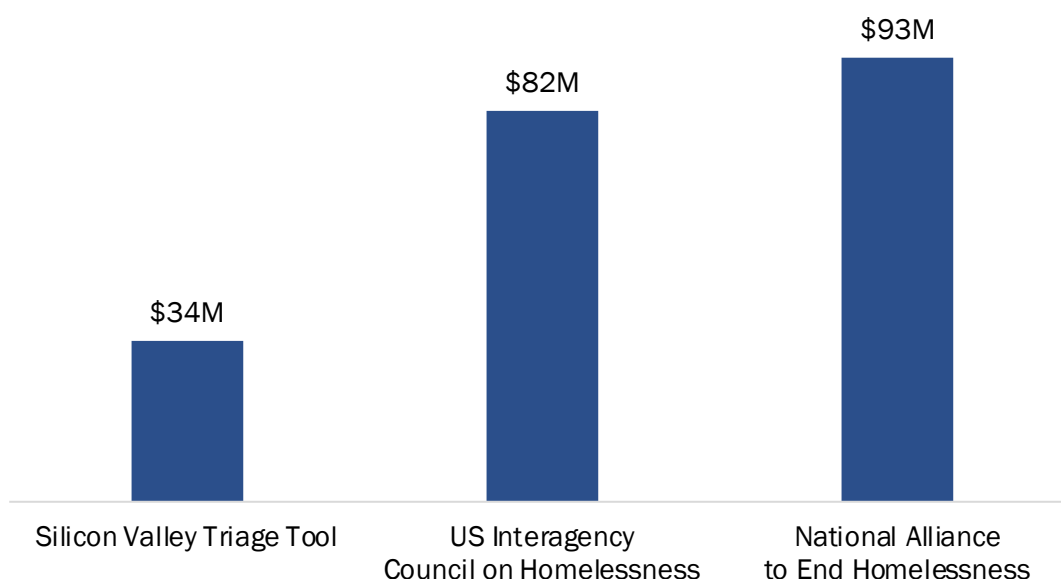
### Indirect Costs for Chronically Homeless Individuals

Using the HMIS counts for chronically homeless individuals and a range of average cost estimates from the literature, we estimate that Pierce County's indirect costs for chronic homelessness in 2019 ranged from \$34 million to \$93 million (in 2021 dollars) as shown in Figure 28.



**Figure 28. Total Indirect Costs for Chronically Homeless, Pierce County, 2021 Dollars**

Source: US Interagency Council on Homelessness, National Alliance to End Homelessness, Silicon Valley Triage Tool. Note: this analysis excludes costs incurred by the highest cost individuals from the Silicon Valley Triage Tool. Note: Indirect costs are based on averages and do not explicitly account for duration of an individual's homelessness.



### Indirect Costs for All Individuals

Based on the per-individual costs reported in the Silicon Valley Triage Tool and by McKinsey & Company, we estimate that Pierce County's total indirect costs for homelessness ranged between approximately \$79 million and \$137 million in 2019 (updated to 2021 dollars). Note that the U.S. Interagency Council on Homelessness and the National Alliance to End Homelessness did not provide per-individual estimates for the general homeless population. In both estimates, healthcare costs account for the largest share of total indirect costs.

**Figure 29. Total Indirect Costs by Cost Category, Pierce County, 2021 Dollars**

	Silicon Valley Triage Tool		McKinsey & Company	
	Share of overall cost	Cost	Share of overall cost	Cost
Social Service Systems	13%	\$10,222,065	9%	\$11,841,614
Healthcare	53%	\$41,674,575	56%	\$76,675,623
Justice System	34%	\$26,734,633	35%	\$48,171,500
Total	100%	\$78,631,273	100%	\$136,688,738

Source: Pierce County HMIS, McKinsey & Company, and Flaming, Daniel, Toros, Halil, Burns, Patrick. (2015). "Home Not Found: The Cost of Homelessness In Silicon Valley." Economic Roundtable. Note: Indirect costs are based on averages and do not explicitly account for duration of an individual's homelessness.

Based on ECONorthwest's survey of the literature, were Pierce County to provide supportive housing for all homeless individuals needing such services, we might expect indirect costs



associated with these individuals to fall by around 50 percent.<sup>28</sup> Whether these reductions in costs translated to overall savings would depend on the dimensions and exact costs of the supportive housing program.

## Literature Review of Indirect Costs

Below we present a literature review of indirect costs which informed our analysis in the previous section. Findings from the literature are broken into the four major cost categories discussed above. In addition, we report on findings on indirect cost savings due to placement in supportive housing.

### Healthcare

Healthcare costs generally account for the largest share of indirect costs due to homelessness. Research demonstrates that people experiencing homelessness are more likely to receive care in emergency rooms and emergency psychiatric facilities than in outpatient settings.<sup>29</sup> People experiencing homelessness visit the emergency room or are hospitalized three to four times more often than the average person, respectively.<sup>30</sup>

In addition, the research finds that individuals experiencing homelessness are less likely to engage with primary care providers and are more likely to misuse prescription medications.<sup>31</sup> While increased engagement with primary care providers may erode some of the overall healthcare savings, it will lead to better individual health outcomes. Studies have also found that people experiencing chronic homelessness are “at higher risk for infections (including human immunodeficiency virus [HIV]), traumatic injuries, drug overdoses, violence, death due to exposure to extreme heat or cold, and death due to chronic alcoholism.”<sup>32</sup>

Unsafe and insecure living situations also impose severe mental and physical stress on individuals experiencing homelessness, and compound or exacerbate issues individuals may already have. In addition, access to medical, behavioral healthcare, and other needed services is generally limited. Without access to preventative and basic services, individuals experiencing homelessness often rely on crisis services, imposing greater costs on the system.

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<sup>28</sup> National Alliance to End Homelessness (NAEH), Silicon Valley Triage Tool, Urban Institute, and Center for Outcomes Research and Education at Providence Health and Services (CORE).

<sup>29</sup> Flaming, Toros, and Burns, 2015.

<sup>30</sup> Wright, Bill J., Vartanian, Keri B., Royal, Natalie, and Matson, Jennifer K. (2016) “Formerly Homeless People Had Lower Overall Health Care Expenditures After Moving Into Supportive Housing.” *Center for Outcomes Research and Education at Providence Health and Services (CORE)*.

<sup>31</sup> Ibid.

<sup>32</sup> See for example: Salit SA, Kuhn EM, Hartz AJ, Vu JM, Mosso AL. “Hospitalization costs associated with homelessness in New York City.” *New England Journal of Medicine*. 1998; 338:1734–1740 <https://doi.org/10.1056/nejm199806113382406>; The National Academies of Sciences, *Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness*, (Washington, DC: National Academies Press, 2018), 6.



## Criminal Justice

Individuals experiencing homelessness, particularly chronic homelessness, are more likely to have interactions with the criminal justice system. Many laws, such as those outlawing sidewalk camping, sleeping outdoors, or loitering, are punitive toward those experiencing homelessness who have very few alternatives when shelters and safe havens are closed or full. Furthermore, research finds that individuals who have been incarcerated previously are more likely to experience homelessness, creating a homelessness-to-jail cycle.<sup>33</sup> And a criminal record can also make securing permanent housing harder if landlords perform background checks and can choose between multiple tenants for an open unit.

The Economic Roundtable report for Santa Clara County reported that a “third of the study population had criminal justice system involvement over the six years of available data. Among this group, a third were charged with felonies, half with misdemeanors and a fifth with infractions. A third of the charges were for drug offenses.”<sup>34</sup>

Because those experiencing homelessness are less able to access treatment for substance abuse disorders and behavioral health problems, research has found that they are more likely to be arrested for public disturbances/exposure, unsanctioned camping, and sleeping outside due to lack of access to adequate care and shelter.

## Public and Social Services Costs

Aside from the healthcare and criminal justice system, homelessness imposes costs on other public and social systems in a wide range of areas, such as

- Mobile sanitation services including toilets, personal care, and laundry facilities,
- Cleaning up encampments, sidewalks, streets, or parks,
- Spending on public safety and security patrols,
- Spending on job placement and employment readiness programs, or
- Spending on foster care and educational support for homeless children.

The City of Tacoma, for example, spent a total of \$3,905,000 in the 2019 fiscal year on its response to homeless encampments.<sup>35</sup> Homelessness may also impose additional costs due to increased need for sanitation services and street cleaning.

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<sup>33</sup> Emily Peiffer. (2020). “Five Charts That Explain the Homelessness-Jail Cycle—and How to Break It.” The Urban Institute. <https://www.urban.org/features/five-charts-explain-homelessness-jail-cycle-and-how-break-it>.

<sup>34</sup> Flaming, Toros, and Burns, 2015.

<sup>35</sup> U.S. Department of Housing and Urban Development and Office of Policy Development and Research. (2020). “Exploring Homelessness Among People Living in Encampments and Associated Cost City Approaches to Encampments and What They Cost.”



Parents entering homelessness are often separated from their children. In Bernalillo County, two-thirds of surveyed parents stated that they feared family separation prior to entering a housing program and a far higher rate of children in families experiencing homelessness have been placed in foster care compared to those who were not homeless.<sup>36</sup> Caring for children who are in foster care rather than with their families imposes additional costs on public systems.

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Focus group participants also identified limits on the number of children that could accompany an adult into some shelters in Pierce County, which presented a major barrier to accessing shelters.

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## Economic Costs

Areas experiencing high rates of homelessness may also suffer reputational damage, declines in tourism, declines in economic activity, and increased costs to businesses. Although these costs are generally not quantified in the literature, they are important to study, and anecdotes abound from main street businesses and patrons. Tracking individual business-related complaints and costs that directly result from homelessness would be incredibly challenging due to the fragmented nature of reporting and the ability to account for costs consistently.

## Summary of Indirect Costs

To summarize and capture the wide ranges of indirect costs associated with homelessness, Figure 30 lists the costs identified in the literature, the sources, and the locations studied at a high level. For a more comprehensive accounting of costs, see Appendix D: Indirect Costs of Homelessness Table on page 75.

The estimates below offer a wide range of costs across different populations, locations, and using differing methodologies. Because the estimates are so wide-ranging, it is difficult to draw definite conclusions about the costs of indirect costs of homelessness in Pierce County and elsewhere.

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<sup>36</sup> Bernalillo County, 2016.



**Figure 30. Estimates of Indirect Costs Associated with Homelessness**

Cost Category	Not Chronic / All Homeless	Chronically Homeless	Location
Total Healthcare Costs:	\$24,324 per person per year		Bernalillo County, NM (2016)
	\$8,191 per household per year		King County, WA (2018)
Criminal Justice Costs (all):	\$5,146 per household per year		King County, WA (2018)
Criminal justice, public safety, and detox costs:	\$15,342 per person per year		Denver, CO (2021)
Social Services:		\$6,208 per unsheltered person per year in encampment cost clean-up	Tacoma, WA (2020)
	\$754 per person per year		Nashville, TN (2007)
Total indirect cost:	\$5,148 per person per year	\$13,661 to \$83,000 per person per year	Santa Clara County (2012)
Total indirect cost:	\$35,578 to \$40,448 per person per year		United States (2017)

Sources:

1. Bernalillo County: University of New Mexico, "Pathways to a Healthy Bernalillo County: Housing Pathway Return on Investment Analysis," (2016)
2. King County: McKinsey & Company. (2018)
3. Denver: Gillespie, Sarah, Hanson, Devlin, Leopold, Josh, and Oneto, Alyse D. (2021). "Costs and Offsets of Providing Supportive Housing to Break the Homelessness-Jail Cycle: Findings from the Denver Supportive Housing Social Impact Bond Initiative." Urban Institute Metropolitan Housing Communities Policy Center.
4. Tacoma: Dunton, Lauren, Khadduri, Jill, Burnett, Kimberly, Fiore, Nichole, and Yetvin, Will. Abt. Associates. (2020). "Exploring Homelessness Among People Living in Encampments and Associated Cost City Approaches to Encampments and What They Cost." U.S. Department of Housing and Urban Development and Office of Policy Development and Research.
5. Nashville: Voorhees, Courte C.W., Brown, Scott R., and Perkins, Douglas D. "The Hidden Costs of Homelessness in Nashville: A Report to the Nashville Metro Homelessness Commission." Vanderbilt University Center for Community Studies.
6. Santa Clara County: Flaming, Daniel, Toros, Halil, Burns, Patrick. (2015). "Home Not Found: The Cost Of Homelessness In Silicon Valley." Economic Roundtable.
7. National: National Alliance to End Homelessness (NAEH). "Ending Chronic Homelessness Saves Taxpayers Money." United States Interagency Council on Homelessness. (2017) "Ending Chronic Homelessness in 2017."



## The Effects of Supportive Housing Placement on Indirect Costs

Housing previously homeless individuals, particularly chronically homeless unsheltered individuals, has been shown to reduce the indirect costs of homelessness. Furthermore, reaching functional zero for certain homeless populations may lead to additional savings and better service delivery due to efficiency gains from increased coordination and communication between actors within the homeless system.<sup>37</sup>

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According to Community Solutions, achieving 'functional zero' homelessness means there are fewer people experiencing homelessness than can be housed within a month.

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Placing individuals in supportive housing can lead to savings across all the major cost categories discussed in the previous section. In Bernalillo County's report on the return on investment for its Housing Pathways program, the authors documented potential cost savings in the following categories:<sup>38</sup>

- |  |   |
|--|---|
| 1. City and county emergency response systems        | 6. Emergency shelters                       |
| 2. Public and private hospital emergency departments | 7. Child protective and foster care systems |
| 3. City and county law enforcement                   | 8. Costs to homeowners and business owners  |
| 4. County jail                                       | 9. Costs to community organizations         |
| 5. Medicaid and Medicare                             |   |

The Urban Institute analyzed cost savings from the Denver Supportive Housing Social Impact Bond Initiative, which provided permanent supportive housing to chronically homeless individuals over the 2016-2020 time period.<sup>39</sup> In its literature review, about half the studies found significant cost savings from supportive housing placement, while others showed overall increases in total systems costs. The authors found that the supportive housing program's target population, the region in which the program is implemented, and the study design all influenced whether overall costs increased or decreased, and the magnitude of these changes.<sup>40</sup>

However, the research broadly agrees that housing the homeless leads to lower indirect costs for public systems due to less use of shelters, emergency rooms, and crisis services, and reduced interactions with police and stays in jail.<sup>41</sup> The National Alliance to End Homelessness (NAEH)

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<sup>37</sup> Batko, Samantha, Solari, Claudia D., DuBois, Nicole. (2021). "The Value of Ending Veteran and Chronic Homelessness in Four Communities: A Framework for Measuring Community-Wide Costs and Benefits." *Urban Institute Metropolitan Housing Communities Policy Center*.

<sup>38</sup> Bernalillo County, 2016

<sup>39</sup> Batko, Solari, and DuBois, 2021.

<sup>40</sup> Gillespie, Sarah, Hanson, Devlin, Leopold, Josh, and Oneto, Alyse D. (2021). "Costs and Offsets of Providing Supportive Housing to Break the Homelessness-Jail Cycle Findings from the Denver Supportive Housing Social Impact Bond Initiative." *Urban Institute Metropolitan Housing Communities Policy Center*.

<sup>41</sup> Batko, Solari, and DuBois, 2021.



reported that, on average, placing people experiencing homelessness in supportive housing reduced indirect costs by about 50 percent.<sup>42</sup> Other, similar studies, have suggested similar reductions in indirect costs. Reduced indirect costs due to placement in supportive housing are particularly well documented for healthcare costs.

In Bernalillo County (NM), for example, the Housing Pathways program was estimated to have produced between \$555,000 and \$925,833 in total healthcare cost savings, or between \$3,648 and \$6,081 per individual in permanent supportive housing. In Portland (OR), residents of the Bud Clark Commons, a supportive housing development, saw their average healthcare costs decline 45 percent the first year after move-in.<sup>43</sup>

Other studies have documented similar declines in healthcare costs associated with supportive housing placement. In 1811 Eastlake, a supportive housing project in Washington State that focuses on improving health outcomes, residents saw a reduction in total costs of 53 percent, a reduction of 72 percent for emergency costs, 24 percent fewer drinks per day, and 65 percent less days intoxicated.<sup>44</sup>

Other cost savings from the Denver Supportive Housing Social Impact Bond Initiative include a reduction in annualized per person jail costs by 23 percent, a reduction associated with court cases of 29 percent, a 35 percent per person reduction associated with police contacts, a 30 percent reduction associated with custodial arrests, a 63 percent reduction in costs associated with short-term detoxification visits, and a 50 percent reduction associated with noncustodial arrests.<sup>45</sup>

Whether the reduced indirect costs cover the programmatic costs of a supportive housing program depends on many factors. Most communities recoup at least the half of the costs of their supportive housing programs in the form of reduced indirect system costs.

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In Bernalillo County, savings from the Housing Pathways program exceeded the costs of the program with a benefit-to-cost ratio between 1.2 to 2.0 (\$1.20 to \$2.00 in benefits for every \$1.00 of program expenditures).<sup>46</sup> About half of the total annual per person costs in the Denver Supportive Housing Social Impact Bond Initiative were offset by reduced indirect costs. The New York City FUSE II evaluation found a reduction in indirect costs offset 67 percent of programmatic costs.<sup>47</sup>

While placing previously homeless individuals in supportive housing will generally lead to a reduction in indirect costs, it will not eliminate all indirect costs. Even communities that reach

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<sup>42</sup> National Alliance to End Homelessness, 2017.”

<sup>43</sup> The Cooperation of Supportive Housing (CSH) and Context for Action. (2019). “Tri-County Equitable Housing Strategy to Expand Supportive Housing for People Experiencing Chronic Homelessness.”

<sup>44</sup> Wright, Vartanian, Royal, and Matson, 2016.

<sup>45</sup> Gillespie, Hanson, Leopold, and Oneto, 2021.

<sup>46</sup> Bernalillo County, 2016.

<sup>47</sup> Gillespie, Hanson, Leopold, and Oneto, 2021.



functional zero for chronic homelessness will have a population of individuals experiencing episodic homelessness. In some communities that reached functional zero for chronic or veteran homelessness, stakeholders commented that enough people were still enduring episodic, unsheltered homelessness that there was little noticeable difference in the homeless population inhabiting public spaces and shopping areas.<sup>48</sup>

## Estimating the Cost to Provide Shelter for All Individuals Experiencing Homelessness in Pierce County

The financial analysis in this section reflects a system with resources that fall short of providing needed shelter and services for everyone experiencing homelessness in Pierce County. To conclude this section, we combine information on current funding, the HMIS data analysis, and research described in this report to characterize the resources required for a system that could in fact serve everyone in need.

The scenario we base our findings starts by estimating the resources that would have been needed in 2021 to provide services to the approximately 2,300 individuals estimated to be unsheltered in Pierce County in 2021. We then estimate the additional resources necessary to serve anticipated inflow to homelessness in each year through 2025.

While the budget information we reviewed above provides a characterization of sources and uses of funds in the current homeless services system, the details are not well-suited for the analysis below. Importantly, the budgets reviewed do not fully allocate service costs to specific interventions, such as PSH. As a result, relying on per-client cost estimates using these data could lead to misleading conclusions. For example, the \$5.1 million in ongoing PSH dollars identified above would suggest an annual cost of under \$10,000 per unit when consensus in the literature and in the field is that providing PSH will typically require upwards of \$20,000 per unit. Thus, we use the total resources identified as the current base but calculate additional resource need using per-individual or per-household costs based on our review of the research and estimates published by Pierce County.

Our calculations require a large number of additional assumptions, derived from a variety of sources, and are inherently uncertain due to limitations in available data and the unknown short and long-term impacts of the COVID-19 pandemic. We focus on service delivery and do not estimate the need for additional system costs such as central administration. We describe the most important high-level assumptions here. Appendix A contains additional detail about the calculations. These assumptions include the following:

- Current, ongoing funding will continue to provide services at 2021 levels in the future (i.e., the same resources will serve the same number of clients)

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<sup>48</sup> Batko, Solari, and DuBois, 2021.



- Additional resources would have provided services to 2,313 unsheltered individuals (about 1,480 households) in 2021, as well as more services to the approximately 1,000 individuals in a shelter bed at any point in time
- Additional resources for each year 2022 through 2025 system serves a total of 403 more households than in the prior year, reflecting a monthly inflow of 602 households per month (7,224 per year) experiencing a new spell of homelessness
- 25 percent of assumed homeless households will self-resolve and require minimal system resources
- 5 percent of the currently unsheltered population and 20 percent of the future inflow of households will require only diversion
- 25 percent of the currently unsheltered population and 15 percent of the future inflow of households will receive a permanent housing voucher
- 20 percent of the currently unsheltered population and 35 percent of the future inflow of households will enter rapid rehousing
- 25 percent of the currently unsheltered population and 5 percent of the future inflow of households will enter permanent supportive housing
- Assumed intervention and shelter costs are:
  - Shelter -- \$24,000 per bed per year
  - Diversion -- \$1,500 per household
  - Voucher -- \$10,000 per household per year (permanent increase in system resource need)
  - Rapid rehousing -- \$8,000 per household
  - Permanent supportive housing -- \$22,000 per household per year (permanent increase in system resource need)
- Total additional shelter, diversion, and RRH resource need are based on assumed total number served during a year; PSH and voucher resources are based on total inflow into the system

Figure 31 displays total estimated resource need, 2021 through 2025. As indicated in the figure, we calculate that providing services to all individuals and households experiencing homelessness in 2021 would have required an additional \$35.5 million dollars, or total resources of \$74 million (excluding existing vouchers). In subsequent years, additional resources needed beyond the 2021 baseline rise from \$62.5 million in 2022 to \$124.6 million in 2025, for an average of \$93.5 million per year from 2022 to 2025.



**Figure 31. Resources needed to provide shelter for all homeless individuals (2021 \$)**

Source: ECONorthwest

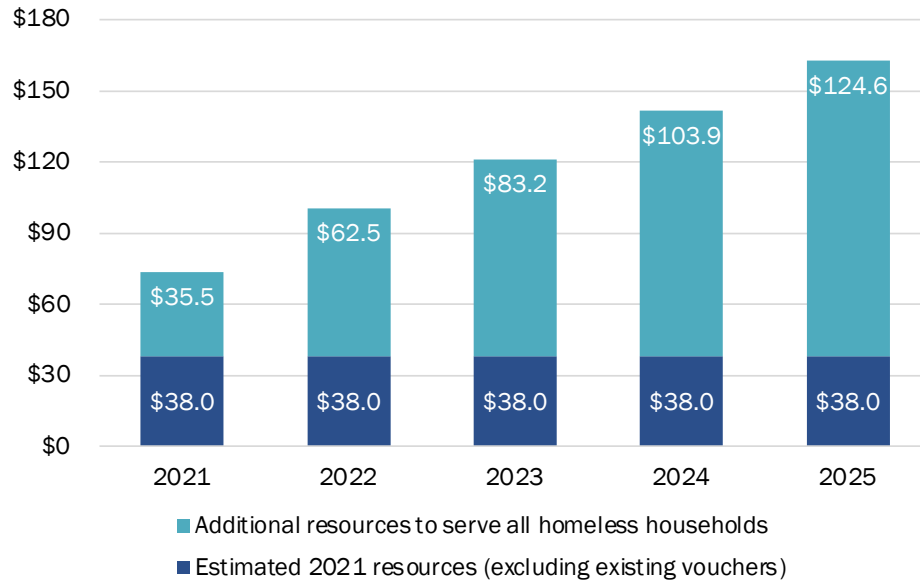
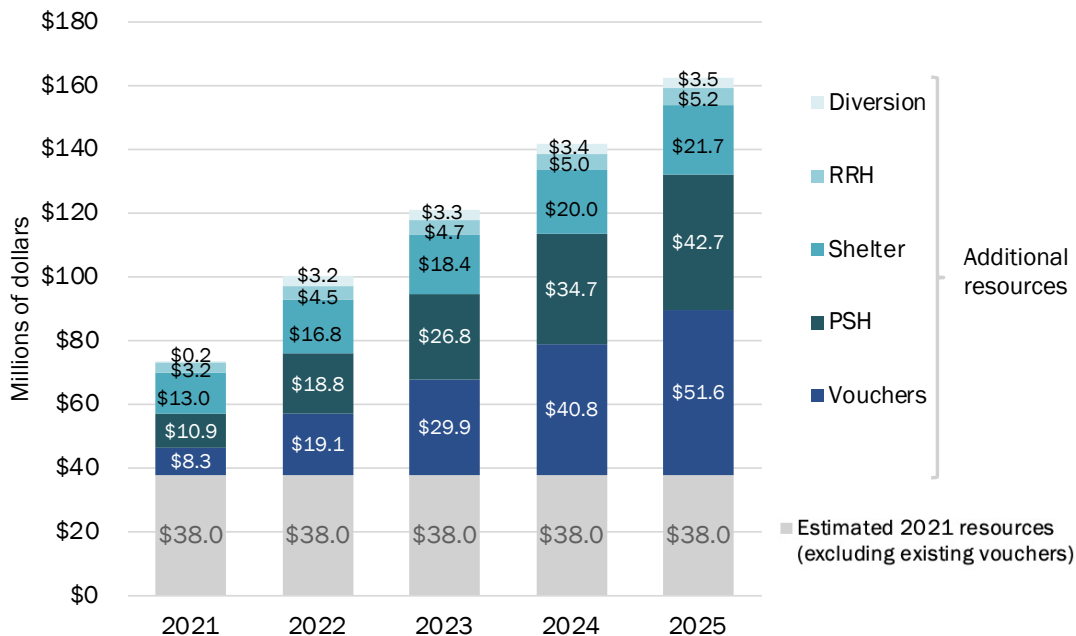


Figure 32 provides the estimated additional resource need by service type. Across years, increased need for diversion and RRH resources under the assumed distribution of services comprise a relatively small share of the total; resources for shelter, PSH, and vouchers are of similar magnitude of additional need at between \$10 million and \$20 million. In future years, the share of additional need accounted for by PSH and vouchers increases due to the permanent nature of these interventions.

**Figure 32. Additional Funds Needed to Provide Shelter for All Homeless Individuals by Intervention (2021 \$)**

Source: ECONorthwest





The need calculated above represents a significant increase in system resources relative to those budgeted for 2021 — serving all individuals in 2021 would have required nearly twice the then-available resources and by 2025 we calculate system need that is about four times the level of ongoing funding (excluding vouchers) identified for 2021. This even without considering capital costs required for expansion. With or without an infusion of resources of this magnitude, the County should consider investing in the expansion of other, innovative solutions. Importantly, were the County to house all those experiencing homelessness, it would realize some savings on indirect costs associated with homelessness, as described earlier in this section (see page 44).

Figure 33 summarizes our research on existing and emerging solutions to homelessness. The figure describes important attributes of each, as well as our best estimate of operating costs. Although the evidence base proving causal benefits is relatively thin for nearly every solution, many “new” options require relatively low levels of investment. Examples include motel conversions and accessory dwelling unit (ADU) programs which have per-unit costs of about \$100,000<sup>49</sup> and \$126,000,<sup>50</sup> respectively.

Motel conversion and ADU programs scale relatively slowly, but with a commitment to monitor actual costs, scaling, and client outcomes, the County could identify the net benefits of these low-cost options without a large up-front investment. Other substitutions across solutions could yield similar benefits. For example, expanding home-sharing programs, at an estimated \$2,000 to \$2,500 per home per year could provide significant system savings relative to emergency shelter beds, (this substitution would not be appropriate for all shelter clients).<sup>51</sup> In all cases, the County should stay abreast of recent research regarding all system investments so that the portfolio of services offered evolves with the understanding of what works to solve homelessness.

The matrix in Figure 33 offers a sample of potential solutions. Considerations on the likely populations served, the solution type, scalability, market vacancy, development requirements, site requirements, and qualitative assessments of costs were gathered and reviewed in concert with Pierce County staff.

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<sup>49</sup> According to data provided by the County, the Comfort Inn motel currently operating as a shelter in Tacoma has annual operating costs of \$20,800 per unit and a similar model in Portland saw capital costs for conversion of roughly \$80,000 per unit.

<sup>50</sup> This cost estimate is for development costs only based on a pilot program through Hacienda CDC in Portland Oregon. Operating costs have yet to be incurred. See <https://www.sightline.org/2019/12/13/a-portland-adu-program-pairs-lower-wealth-homeowners-and-low-income-tenants/>

<sup>51</sup> Cost estimate based on communications with Shared Housing Services staff.



Figure 33. Solutions Matrix

	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Solution Type (Temporary, Moderate, Permanent)	Evidence that this helps people exit homeless- ness?	Scalability (L, M, H)
Sanctioned Villages	New	Chronic	Temporary	No	Moderate
Emergency Shelters	Current	Both	Temporary	No	Low
Safe Parking / RV Parks	New	Both	Temporary	No	High
Diversion	Current	Episodic	Moderate	Some	High
Transitional Housing	Current	Both	Moderate	Yes	High
RRH	Current	Episodic	Moderate	Some	High
Roommate Based Programs	New	Both	Moderate	No	Low
PSH	Current	Chronic	Permanent	Yes	High
Vouchers & Rent Assistance	Current	Both	Permanent	Yes	High
Motel Conversions (to PSH)	Current	Both	Permanent	Yes	Moderate
ADU Program	New	Episodic	Permanent	No	Low



### Solutions Matrix Development and Site Considerations

	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Requires Market Vacancy (Y/N)	Requires Development (None, Some, Full)	Requires Site (Y/N)	Development Timeframe (Fast/None, Moderate, Slow)
Sanctioned Villages	New	Chronic	No	Some	Yes	Fast/None
Emergency Shelters	Current	Both	No	Some	Yes	Slow
Safe Parking / RV Parks	New	Both	No	None	Yes	Fast/None
Diversion	Current	Episodic	Yes	None	No	Fast/None
Transitional Housing	Current	Both	No	Full	Yes	Slow
RRH	Current	Episodic	Yes	None	No	Fast/None
Roommate Based Programs	New	Both	No	None	No	Fast/None
PSH	Current	Chronic	Some	Some	Yes	Slow
Vouchers & Rent Assistance	Current	Both	Yes	None	No	Fast/None
Motel Conversions (to PSH)	Current	Both	No	Some	Yes	Moderate
ADU Program	New	Episodic	No	Some	Yes	Moderate



## Solutions Matrix Operating Cost Considerations

	Current System or New Solution	Pop Served (Chronic, Episodic, Both)	Cost of Development (L, M, H)	Cost of Ongoing Intervention (L, M, H)	Annual Operating Cost per Household	Data Source
Sanctioned Villages	New	Chronic	Low	Moderate	\$27,200	ECONorthwest analysis of operating costs of 6 sanctioned encampments in Oregon and California
Emergency Shelters	Current	Both	High	Moderate	\$24,000	Pierce County Comprehensive Plan to End Homelessness, Appendix K
Safe Parking / RV Parks	New	Both	Low	Low	\$1,000*	Data provided by Pierce County; *Data are a for a pilot project which is expected to see costs increase when the full program rolls out.
Diversion	Current	Episodic	Low	Low	\$1,500	Pierce County Comprehensive Plan to End Homelessness, Appendix K
Transitional Housing	Current	Both	High	High	\$14,300	ECONorthwest analysis of total Pierce County spending on Transitional Housing and the HUD Housing Inventory Count of Transitional Housing units.
RRH	Current	Episodic	Low	Moderate	\$8,000	Pierce County Comprehensive Plan to End Homelessness, Appendix K
Roommate Based Programs	New	Both	N/A	Low	\$2,500	Data provided by Mark Merrill of Shared Housing Services
PSH	Current	Chronic	High	High	\$22,000	Pierce County Comprehensive Plan to End Homelessness, Appendix K
Vouchers & Rent Assistance	Current	Both	N/A	High	\$12,000	Pierce County Comprehensive Plan to End Homelessness, Appendix K
Motel Conversions (to PSH)	Current	Both	Moderate	High	\$33,200	Data provided by Pierce County: average annual operating cost per bed for the Puyallup Hotel Shelter and the Nativity House Shelter Hotel Program
ADU Program	New	Episodic	Moderate	Low	**	No operating costs are available. Some pilot projects have been funded but they have yet to yield operating costs.

Note: \*Data for the safe parking site are from a pilot project with a minimal operating budget. Costs for a full-scale site, with appropriate services, will be higher than shown here. \*\*We only have development cost data for a pilot ADU program that has yet to incur operating costs.



## 6. Where should Pierce County prioritize its near-term investments?

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Building off the costs of service provision and the solutions matrix in the prior section, this section summarizes the county's current situation and then describes implications for investments and next steps.

### Situational Assessment

Pierce County finds itself sharing a crisis with many of its peers up and down the West Coast. Two characteristics make homeless policy more challenging here than elsewhere in the U.S.: 1) overpriced housing as a result of decades of underproduction, and 2) underdeveloped infrastructure to provide temporary or emergency housing for people who need it. A sizable share of the county's homeless population also faces personal challenges, but the research demonstrates that housing market factors are the primary drivers of homelessness compared to substance abuse, physical disabilities, or mental disabilities. There are no indications that Pierce County has higher rates of these conditions sufficient to explain the county's above average incidence of sheltered and unsheltered homelessness.

Given the nature of the problem, possible solutions to help address homelessness would need to work in four areas: 1) sustained, increased production of housing units at all price points, 2) increased funding for rental subsidies for poor and near-poor households, 3) expansion of services and supports for those who are currently homeless or at high-risk of becoming homeless, and 4) expansion of emergency shelter beds and new alternatives.<sup>52</sup>

While potential solutions must address the four areas, investments by the county must fall in areas where evidence is promising and where the county has jurisdiction and resources in the near term.

- **Ending the crisis requires accelerated housing production.** Washington State has *the lowest* ratio of housing units to households in the United States,<sup>53</sup> and Pierce County has one of the lower ratios in Washington State.<sup>54</sup> Put simply, the state, the region, and the county do not have enough housing for all who want to live here. The homeless crisis will not abate until localities embark on production strategies that keep pace with future household formation and address the legacy underproduction of the past decade. Identifying, and acting on, the numerous ways county agencies could support production is among the most important homeless-reduction work.

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<sup>52</sup> Ingrid Gould Ellen and Brendan O'Flaherty, *How to House the Homeless* (Russell Sage Foundation, 2010).

<sup>53</sup> Freddie Mac. 2020. The Housing Supply Shortage: State of the States. February 2020.  
<http://www.freddiemac.com/research/insight/20200227-the-housing-supply-shortage.page>

<sup>54</sup> See Figure 8. Ratio of Change in Housing Units Versus Change in Households, 2010-2020 on page 12.



- **The power of the clearest evidence-based intervention—long-term rental assistance—is limited in a tight housing market.** The evidence on interventions to address homelessness is thin. One clear finding is that long-term rental supports, like the federal Housing Choice Voucher (HCV), improve housing stability, family stability, and health, job, and educational outcomes. But long-term vouchers are harder to deploy in tight, expensive housing markets like Pierce County’s—finding an open unit is challenging, the cost of the subsidy portion of rent increases, and participation among landlords decreases. In a tight market, the county could expect that for every ten vouchers deployed to currently homeless individuals, the point-in-time count would fall by three.<sup>55</sup> Handing a voucher to an individual puts them in competition for scarce units with other current or at-risk individuals who do not receive a voucher. The situation only improves with more units in market, higher vacancy rates, and more motivated landlords.
  - **The evidence-base is still emerging on short-term vouchers and PSH.** The federal government’s HCV program is a proven homelessness prevention tool, but it covers only a quarter of eligible households. To spread limited resources to unserved HCV-eligible populations, communities across Washington have experimented with shallow and temporary rent subsidies. HUD’s *Family Options Study* delivered disappointing news in this area and showed that long-term vouchers were more effective in reducing future spells of homelessness, improving housing stability, and helping beneficiaries live independently. Shallow, temporary subsidies remain promising but unproven.
- Similarly, PSH is a promising response for a share of the chronic population. But the programming is expensive and requires careful targeting to ensure that the highest cost users receive these high-cost units. To ensure cost savings materialize, service agencies will need to invest in better analytic capabilities to identify and reach these highest cost, highest needs individuals who are incapable of stabilizing their lives but for the intervention. Success here would deliver sustained support to the region’s most vulnerable populations, reduce health and public safety expenditures, and free up emergency shelter capacity for more appropriate short stays.
- **Pierce County has underdeveloped emergency shelter infrastructure, and little clear guidance on how to expand it.** U.S. emergency shelter policy broadly falls into East Coast and West Coast schools. The East Coast approach, driven by climate and past litigation, generally expands its emergency bed capacity to meet the need. The West Coast approach does not tie capacity to need which has led to sizable, unsheltered populations. Safety of vulnerable populations, children, women, and adults with disabilities, is the top priority of a crisis system. When it comes to expansion, no

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<sup>55</sup> ECONorthwest assessment of: O’Flaherty, Brendan, “Homelessness Research: A Guide for Economists (and Friends),” (New York City, NY: Columbia University Program for Economic Research, 2019) [econ.columbia.edu/working-paper/homelessness-research-a-guide-for-economists-and-friends/](http://econ.columbia.edu/working-paper/homelessness-research-a-guide-for-economists-and-friends/); Champeny, Ana, Letter to Patrick Markee at the Coalition for the Homeless, City of New York Independent Budget Office, June 14, 2012; O’Flaherty, Brendan and Ting Wu, “Fewer Subsidized Exits and a Recession: How New York City’s Family Homeless Shelter Population Became Immense.” *Journal of Housing Economics* 15, (2006): 99-125.



recommended formulas exist. Neither New York (5.1 percent unsheltered) nor California (68.2 percent unsheltered) are models to replicate.<sup>56</sup> An overbuilt shelter system becomes an expensive, semi-permanent solution for too many individuals and families while an underbuilt system exposes vulnerable populations to unsafe conditions. While no one should have to experience unsheltered homelessness, tradeoffs abound in shelter expansion. Every dollar spent on emergency beds is a dollar that could be spent on programming with stronger evidence of improving long-term housing outcomes (e.g., long-term vouchers).

## Recommendations for Action

Pierce County's tight, and worsening, housing market limits the near-term policy options. It took more than decade to create the legacy deficit of housing units in the region, and it will take more than a few years to correct it. Funding for affordable housing development remains tight and does not show meaningful opportunity to increase in the near term. As long as rental vacancy rates remain low, rents elevated, and the production of affordable housing marginal (in comparison to the overall market) the County will be in the position of *managing* the crisis rather than *mitigating* it. The county should develop longer term plans to bolster housing production and affordable housing production but must also recognize the need for short term intervention.

An important first step involves changing the narrative around the principal cause of the homeless crisis. A sizable share of the public views personal circumstances—disability, illness, and substance abuse—as the key driver of the crisis. Those conditions play a role but do not explain why rates of homelessness are higher in Pierce County than in much of Appalachia—a region with high documented rates of drug use and reported disability. As more Pierce County residents begin to understand that homelessness, in large part, is the result of a collective policy failure on housing production, the political environment will improve for productive policy responses.

But in the coming months, the County must operate in the context of its resource constraints and underbuilt infrastructure. The best immediate, next steps include:

1. **Explore alternative uses of the available voucher resources and subsidies.** Pierce County would be well-served by recognizing the policy unknowns, partnering with think tanks and communities from across the country, and continuing the investigation for effective, lower-cost alternatives to the evidence-backed Housing Choice Voucher. One approach could involve additional triage of short- and long-term voucher recipients. The disappointing findings on short-term vouchers were documented for a very vulnerable population, but it's possible that short-term vouchers work for individuals and families with less severe needs. The County and its partners could holistically re-examine voucher deployment and, going forward, shift a larger share of long-term vouchers to those highest risk of homelessness.

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<sup>56</sup> ECONorthwest analysis of 2017 PIT data.



Additionally, the County should ensure strong coordination between its homeless services and affordable housing systems, including a review of set asides units from formerly homeless individuals and rules that might prevent individuals from accessing affordable housing (e.g., eviction history or credit scores).

2. **Deploy better analytics to improve outcomes with constrained resources.** As administration data are better integrated, the utility of predictive analytics improves. Researchers at New York University’s Furman Center have successfully used human services, neighborhood, and building-level data to improve predictions of shelter entry, and thereby, more efficiently target outreach and prevention services. Similarly, analysts have merged health and public safety data to target individuals who would benefit the most from high cost PSH interventions. The state-of-the-science is constantly improving, and Pierce County would benefit by staying at the forefront of the research and implementation.
3. **Expand sanctioned shelter infrastructure.** The Pierce County Council committed to building immediate capacity in the County’s homelessness response system so that every person experiencing homelessness had access to safe shelter by last November. The County has options: conventional indoor congregate shelters and relatively new class of outdoor alternatives, including sanctioned encampments and safe vehicle parking areas. Neighborhood siting will be a key barrier to either approach.

As the conventional shelter system expands, the County will need to address commonly expressed concerns, including rules that separate partners or exclude children, tightly enforced entry and exit times, concerns about the security of personal belongings, and sobriety requirements.

Proponents of outdoor alternatives note several possible advantages: improved privacy, lower barriers to access, and lower, upfront capital costs. Our review of plans from other communities along the West Coast suggests initial capital costs of \$25,000 per bed (i.e., small private structures, food, restrooms, hygiene and shower facilities, common area). Operational costs will vary with the degree of services provided but should fall in a range that is similar to the costs of conventional emergency shelters, which a recent, national study pegged at about \$20,000 to \$30,000 per bed/year and vary by service intensity. The County may want to deploy models across this range of costs to accommodate varying service needs.

Deciding on the number of new sanctioned spaces—whether indoor or outdoor—is less of a technical issue than one of values. Except for the most vulnerable populations, no clear evidence has emerged on whether shelters or scattered encampments are associated with better or worse public health and housing outcomes in the Pacific Northwest’s temperate climate.

4. **Manage unsanctioned encampments systematically.** As long as unsheltered camping persists and Pierce County’s ability to develop new affordable capacity is limited, unsanctioned camping should be managed as part of the system.



Going forward, the county and its partners should dedicate a budget and maintain real-time data on remaining unsanctioned camps. Public agency interactions with the camps should be logged into activity reports that catalog the nature of interventions, inspection dates and conditions, and the type of services provided. The County should establish and report performance metrics and associated goals, including fewer health and safety hazards, reduced crime, and fewer community complaints.

5. **Use flexible funds to soften benefits cliffs.** While less focused on the infrastructure of Pierce County's systems, focus group members stressed the anxiety that expiring assistance programs created. Although short term assistance is less proven than the gold standard of permanent voucher and rent assistance programs, the county and its partners could use flexible funding to provide assistance after federal or state assistance programs end. A "glide path" of sorts could help to soften the abrupt benefits cliff faced with time limited assistance programs. This longer-term contact with individuals can help to maintain caseworker-client relationships and monitor clients housing outcomes.
6. **Use flexible funds to encourage better caseworker conditions.** Additionally, Pierce County could grant flexible funds to local nonprofit agencies so they can increase the number of caseworkers they staff, thereby reducing caseloads, or increase staff pay to help prevent overload and burnout. Given the importance of caseworker-client relationships, Pierce County would be well suited to use funding to reduce caseworker turnover and ensure that those serving homeless residents are able to afford stable housing themselves.
7. **Expand upon existing efforts to embed race and equity in improvements in the system.** Quantitative, literature, and anecdotal evidence all demonstrate that housing markets across the country have unequal outcomes. Many factors contribute to this, from systemic racism to outright housing discrimination to differences in income. Pierce County is no different. The data are clear that individuals who do not identify as White disproportionately experience homelessness in Pierce County. The *Comprehensive Plan to End Homelessness* and the *Pierce County Continuum of Care's 5-year Plan* both include strategies and goals aimed at improving outcomes among minority populations, and our research provides additional evidence to elevate the importance of these recommendations.



## 7. Appendices

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# Appendix A. Methods to Quantify Populations Experiencing Homelessness

Forthcoming



## Appendix B. Focus Group Methods

Incorporating qualitative data was an important part of this research effort. We sought personal experiences navigating Pierce County's homeless systems to help interpret, validate, and nuance the quantitative analysis we conducted, and to provide a window into the vast array of circumstances and paths people have as they experience homelessness. Our qualitative analysis utilized focus groups to speak directly with individuals who use and work in Pierce County's homeless systems.

In December 2021, we conducted three focus groups. Two were in-person with adults who have used services in response to their homelessness (herein called "Clients"). We spoke with nine clients total. All were stably housed when we met with them. Six of the nine were in permanent supportive housing, one had another year left of housing assistance, one had just begun living with section 8 housing assistance, and one identified their housing as very precarious as they were trying to make it mostly on their own (they made too much money to receive support, but not enough to pay their expenses).

The third focus group was held virtually with providers who work at organizations that assist people experiencing homelessness ("Providers"). Both the clients and providers lived and/or worked in Pierce County. The providers were selected because they had, at some point in their lives, also experienced homelessness.

### Recruitment

For client participants, we sought a diverse group of people who had either been provided rapid rehousing or were currently living in permanent supportive housing in Pierce County. County staff helped to identify local providers offering these services and contacted the organizations to help recruit clients for the focus group. Case workers at these organizations then helped to identify and encourage clients who met the criteria to participate. Each client participant was given a \$75 gift card for participating. In-person client focus groups were conducted privately (just clients and facilitators) at the offices of provider organizations. We spoke with a total of nine clients.

A similar process was used to recruit provider participants. Pierce County staff reached out to local organizations to ask about their staff and invite those who currently worked in the system and had previously experienced homelessness to participate. We spoke with a total of four providers virtually, who were also given a \$75 gift card for their participation.

During the interviews, we took extensive notes on the experiences of the participants, probing for information on what was most and least effective for their own housing stabilization or that of their clients. Notes from the focus groups were analyzed for recurring themes. Basic to the method was a constant rereading of the notes, immersing in the data, taking time to think and reflect, and verify themes that emerged from the material.



## Findings

Overall, there were several dominant themes that emerged from the focus group data that are discussed below. These include:

1. Barriers in the housing market,
2. The importance of client-caseworker relationships,
3. Caseworker support and retention,
4. Positive experiences within Pierce County programs, and
5. Lack of support outside those programs.

### 1. Housing Market Barriers

The Pierce County housing market was a recurrent theme at all three focus groups. Rental prices are rising county-wide, demand for more affordably priced lodging is rising, and vacancy rates are low. This creates a tight and competitive market for renters and allows landlords to be selective about who they rent to. Landlords can (and do) eliminate potential renters based on their credit score, any prior evictions, criminal history, lack of a consistent rental history, or insufficient stable income (3X the rent). Many clients have had circumstances in their recent past that make them less competitive than other renters, which creates added hurdles in securing housing.

In addition to these barriers finding a suitable unit to rent, many participants also talk about the barrier of securing the upfront money needed to secure an apartment. Most landlords request the first and last month's rent, in addition to a security deposit, which amounted to more money than could be secured through rent assistance funds.

Providers also noted that a lack of knowledge was a barrier for their clients. Some providers noted that tenants' rights education is generally only available once a client is in a program and not before, which limits their efficacy. Because of the cost of rental units, another provider noted that even with a full time, minimum wage job, the pay would be insufficient for rent. "People talk about getting a job as 'the answer' but with a minimum wage job you can't afford a one-bedroom apartment. Clients in programs need multiple jobs to even get close to renting, and then you lose access to other programs."

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"There are not enough resources out there to learn how to rebuild your credit. Clients don't know how to handle evictions or what to do with an eviction on your record. Tenants don't know their rights, or how to pay off an eviction. Financial literacy and money management is lacking."

-Provider comment

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One client shared that same experience, stating that it is hard to qualify for some programs "because either you don't make enough money to be able to start renting but then when you get a job, you make too much money to qualify for assistance." This issue was not unique to housing assistance but was also mentioned in relation to childcare assistance and other programs. One provider shared a story of a client who was



“struggling but not qualifying” because he was \$20 over the qualifying limit, and thus couldn’t be served at all because of that.

## **2. Importance of the Client-Caseworker Relationship.**

Another dominant theme from the focus groups was the importance of the client-caseworker relationship. We recognize that our focus group sample is biased toward participants who had strong relationships with their caseworkers because caseworkers were the primary point of contact for clients to attend the focus groups.

Regardless, numerous participants stressed the importance of their relationship with their caseworkers, mentioning that their caseworkers provided everything from emotional support to transportation, and spent time helping them find apartments, jobs, and access to a range of services (from childcare to mental and physical health treatments.) Caseworkers also helped them to understand and navigate a complex system of paperwork, program requirements, timelines, and bureaucracy related to services that they struggled to navigate on their own.

Finally, clients spoke of being cared for, and much that mattered. Some also discussed seeing or hearing about people navigating the homeless systems with caseworkers who were less involved and “just in it for the paycheck.” In these comments, clients suggested that that limited access to resources and support.

## **3. Sufficient Support for Caseworkers.**

From the provider perspective, participants suggested that the job was both deeply rewarding and emotionally draining: the emotional labor, time commitment, and growing caseloads were taxing and underpaid. As the focus group provider participants had all experienced homelessness themselves, they understood what their clients were going through and were able to bring an important sense of empathy to the position. However, they also acknowledged that higher wages, lower caseloads, and more flexibility to help clients outside of the tight constraints of the “funding rules” would make their jobs easier and result in better client outcomes.

Lastly, caseworkers also discussed the importance of timing when a caseworker is assigned to a client, and how long they remain paired. Some clients indicated that they would have benefitted from being assigned a caseworker earlier in their process, at the time of first engagement with services. Some clients were concerned about losing their caseworker when their housing benefits expired. And some caseworkers expressed frustration at how long some approval processes for state assistance take.

Participants also discussed the high turnover and labor shortage in the industry: the position’s low pay and high emotional labor causes burnout, high turnover, and difficulty recruiting. At least one of the provider participants who had experienced homelessness in the past were also struggling to find suitable housing themselves.



#### 4. Positive Experiences Receiving Pierce County Services

Another theme that emerged from both the client and provider focus groups was the need for people to be provided with the right level of engagement and support. Specifically, access to services for addiction and mental health care were limited and highly needed.

All the clients we spoke with were stably housed. Those with housing support from the County were very pleased with their situations. They felt that the coordination of care among the County and providers was good, and they had the support they needed related to food, childcare, employment, and medical needs. When asked what more they needed, they didn't identify any additional needs that weren't already being met. Some of those that were in permanent supportive housing said that the housing security they were being provided had allowed them to work on fixing their addiction and mental health issues. Another spoke of getting support in "life skills," getting her GED, and being able to start a nursing program. Through discussions, it became clear that not having to worry about finding and paying for lodging allowed client participants to work on improving other areas of their lives.

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It was clear that not having to worry about finding and paying for lodging allowed client participants to focus on improving other areas of their lives.

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However, client participants discussed worrying about the "benefits cliff" that occurs when they have services but increase their hours, income, or both, and risk losing their benefits. This was part of the criticism of the all-or-nothing system. One participant recalled an example of being \$20 over an income limit for services and thus not qualifying for anything. While this is challenging for qualifying for services, it also limits participants' ability to gradually increase their incomes or make other life improvements. Many suggested they would prefer that benefits declined more gradually with income.

#### 5. Extreme Challenges Waiting for Services

Client participants also discussed how challenging life was before their positive experiences with permanent supportive housing. Many participants reported cycling in and out of shelters and struggling to find shelters with open beds. Clients discussed the numerous barriers at shelters, such as:

- Not being allowed to bring pets,
- Having more children than were allowed (only two were allowed in this example),
- Having their belongings stolen,
- Adhering to strict schedules, and
- Generally feeling disrespected in that environment.

Client participants mentioned that, if they were able to secure a shelter bed, they had to adhere to strict and sometimes inconvenient schedules, such as showering at a certain time or being out



of the shelter during the day. When they weren't able to secure a shelter bed, they said they slept on the streets, in a car, or with friends or family members.

Client participants wanted to see an increase in the number of shelter services available, since there were many times when they wanted a shelter bed and couldn't find an opening.

Client participants suggested that they were only able to get support when their circumstances devolved to such a point that they were prioritized for county services. These included an impending eviction, drug use, severe mental or physical health conditions, having young children to care for. They struggled with the system's all-or-nothing services and resented that their individual circumstances had to devolve so far before being prioritized (for example, receiving rent assistance before an eviction notice was served).

Lastly, client participants stressed the need for better access to the *right level* of services, not only for themselves but for other residents in their buildings. Some participants needed better access to addiction and mental health services than they were receiving, and also wanted higher-needs neighbors (at shelters and some PSH facilities) moved into higher service settings to feel more safe and secure.



## Appendix C. Strategies from Other Plans

### Pierce County Continuum of Care's 5-year Plan to Address Homelessness

The 2020 Pierce County Continuum of Care's *5-year Plan to Address Homelessness* identified the following 5 strategic initiatives and goals as well as population specific successful exit goals. The Plan includes more details, such as benchmarks, key strategies, and implementation leads for each goal.

Initiative	Key Strategies
<b>Housing:</b> Maximize the use of existing housing while advocating for additional housing resources and more affordable housing.	<ol style="list-style-type: none"> <li>1. Increase the percentage of exits to permanent housing increases to at least 60 percent for the overall population, including, but not limited to, African American/Black, Hispanic/ Latinx, and American Indian/Alaska Native populations.</li> <li>2. Make 380 additional permanent supportive housing (PSH) units available through new construction and other strategies.</li> <li>3. Make 450 affordable housing units for homeless households available through new construction and other strategies.</li> </ol>
<b>Stability:</b> Support the stability of individuals experiencing homelessness and those recently housed.	<ol style="list-style-type: none"> <li>4. Reduce average length of stay in temporary housing projects, including emergency shelter, transitional housing, and safe havens, to less than 90 days.</li> <li>5. Ensure that all people experiencing homelessness can access emergency shelter on demand, with no wait times.</li> <li>6. Increase the percentage of households that maintain permanent housing for more than two years after exiting the Homeless Crisis Response System to 90 percent for the overall population, including, but not limited to, African American/Black, Hispanic/Latinx, and American Indian/Alaska Native populations.</li> <li>7. Reduce the number of individuals entering the Homeless Crisis Response System.</li> </ol>
<b>System and Service Improvements:</b> Create a more responsive, accessible Homeless Crisis Response System.	<ol style="list-style-type: none"> <li>8. Increase the percentage of people engaged through street outreach who move to a safe and stable housing solution to 76 percent for the overall population, including, but not limited to, African American/Black, Hispanic/Latinx, and American Indian/Alaska Native populations</li> <li>9. Reduce the wait time for a housing solutions conversation to one day or less for the overall population, including, but not limited to, African American/Black, Hispanic/Latinx, and American Indian/Alaska Native populations.</li> <li>10. Ensure there is equitable distribution of and access to homeless services throughout Pierce County.</li> <li>11. Ensure that the Homeless Crisis Response System reflects our communities and is responsive, equitable, and well-trained in cultural awareness and humility and in best practices.</li> <li>12. Build and maintain a by-name list for all persons experiencing homelessness in order to track status, engagements, and housing placement for each household.</li> </ol>
<b>Community Partnerships:</b> Optimize and leverage internal and external partnerships to better	<ol style="list-style-type: none"> <li>13. Ensure that homelessness funding throughout the county is aligned toward a shared set of goals, measures, and overall strategies and centered on a commitment to equity.</li> <li>14. Ensure that intersecting systems, coalitions, and organizations are collaborating effectively to prevent and address homelessness.</li> </ol>



prevent and address homelessness.	
<b>The Continuum of Care:</b> Grow awareness of the CoC's purpose and plan, and serve as a central advocacy and coordinating body for addressing homelessness in Pierce County.	<p>15. Ensure that this 5-year plan is broadly supported by those who could further its successful implementation.</p> <p>16. Ensure that CoC Committee membership reflects the sectors needed to solve homelessness and the demographics of the people served by the Homeless Crisis Response System.</p>
<b>Specific population goals:</b>	17. Ensure that 90 percent of all specific populations remain housed two years after securing permanent housing (chronically homeless individuals, veterans, youth, families, and domestic violence survivors).

### Ad Hoc Committee's Comprehensive Plan to End Homelessness

The Pierce County Ad Hoc Committee's *Comprehensive Plan to End Homelessness* identified the following goals and strategies.

Goal	Strategies
Goal 1: Create a Unified Homeless System	<ul style="list-style-type: none"> <li>By July 1, 2023, create a Tacoma-Pierce Unified Regional Office of Homelessness, consisting of the right stakeholders with central decision making authority of funding and services</li> <li>Initiate a consultant-led process to design the Unified Regional Office organizational leadership structure to prevent and end homelessness, including leading community engagement and communication efforts.</li> <li>Create and maintain a model to estimate funding needed to close the gap between homeless prevention and homeless crisis response system need and capacity. For current gap analysis.</li> <li>Improve resource acquisition by maintaining homeless crisis response system funding master list, including current, expected, and potential future federal, state, local jurisdiction, philanthropic and other system funding.</li> <li>Develop and maintain a strategic funding plan to retain existing funding and close the funding gap using identified potential funding sources and pursue that funding with a coordinated, County-wide, cross-industry effort.</li> <li>Support agencies to ensure financial resiliency.</li> </ul>
Goal 2: Ensure Interventions are Effective for all Populations	<ul style="list-style-type: none"> <li>Create a Race and Equity Strategy Team or expand role of existing equity efforts such as with the Continuum of Care to research, develop and assist organizations to implement program changes to align with the needs of target populations.</li> <li>Engage twice yearly with individuals and organizations from target populations to identify concerns with the existing homeless crisis response system and needed program alterations or additional providers.</li> </ul>



	<ul style="list-style-type: none"> <li>• Annually review interventions and services to ensure referrals, enrollments and outcomes are being monitored for each target population.</li> <li>• Annually conduct a quantitative and qualitative service quality survey, including a “hope scale” type survey, of a sample of people experiencing homelessness. Ensure the survey is part of a trauma informed process accessible to the widest possible audience, preferably administered by people experiencing homelessness themselves.</li> </ul>
Goal 3: Prevent Homelessness	<ul style="list-style-type: none"> <li>• Revise homeless prevention services eligibility based on best practices, with eligibility adjustments to accommodate varying levels of resources available for rent assistance to target the assistance where it will prevent homelessness for the greatest number of households.</li> <li>• Provide mortgage assistance for at-risk homeowners.</li> <li>• Develop and support shared housing units for those unable to afford living alone.</li> <li>• Provide financial counseling and life skills training to assist at risk households with financial stability.</li> <li>• Expand Diversion to households at risk of homelessness.</li> </ul>
Goal 4: Ensure Adjacent Systems Address Needs of People Experiencing Homelessness or at Risk of Homelessness	<ul style="list-style-type: none"> <li>• Develop more coordinated communication among adjacent systems.</li> <li>• Create or join existing workgroups to identify and implement best practices so individuals can more easily access services in adjacent systems.</li> <li>• Work with organizations in adjacent systems to develop and implement policies and procedures based on identified best practices.</li> <li>• Create or join existing workgroups to identify and implement best practices, including data sharing agreements, to assist and track individuals leaving institutional settings.</li> <li>• Coordinate with the Pierce County Behavioral Health Division to ensure the Behavioral Health Improvement Plan updates continue to identify gaps in capacity and effectiveness for people experiencing homelessness and create implementation plans to close those gaps.</li> <li>• Partner with the Workforce Development system to identify gaps in effectiveness of workforce development system for people experiencing homelessness and work to close those gaps, ensuring availability of transitional employment programs that create pathways to self-sufficiency.</li> </ul>
Goal 5: Meet Immediate Needs of People Experiencing Homelessness	<ul style="list-style-type: none"> <li>• Create and manage a by-name list for the entire homeless population</li> <li>• Ensure every household experiencing homelessness has access to navigation services such as street outreach and Critical Time Intervention.</li> <li>• Expand use of the Homeless Management Information System so all formal and informal interactions with people experiencing homelessness are recorded.</li> <li>• Prioritize funding to implement the Adequate for All plan to expand homeless shelter, attached, ensuring access at shelter sites to behavioral health services.</li> <li>• Expand Coordinated Entry to ensure appointments are available the same day or the next day in shelters, day centers and other access points across Pierce County.</li> </ul>



	<ul style="list-style-type: none"> <li>• Offer Rapid Rehousing and Permanent Supportive housing interventions during the Coordinated Entry conversation.</li> <li>• Size the homeless outreach system to engage all people living unsheltered.</li> </ul>
Goal 6: Expand the Permanent Housing System to Meet the Need	<ul style="list-style-type: none"> <li>• Expand funding for the Diversion Intervention to fully meet the need.</li> <li>• Expand funding for Rapid Rehousing Intervention to fully meet the need.</li> <li>• Create a dedicated housing voucher intervention for households experiencing homelessness and size existing housing voucher programs and Housing and Essential Needs to meet the need.</li> <li>• Size the capacity of the Permanent Supportive Housing system, including units and case management, to meet demand, using tenant-based and project-based programs, with a particular focus on projects that add new permanent housing at very low capital costs, such as hotel conversions and Community First! style housing development projects.</li> <li>• Expand shared housing to include all possible shared housing models.</li> <li>• Coordinate with affordable housing efforts to develop 0-30% AMI and 30-50% AMI housing dedicated to households exiting homelessness.</li> <li>• Size the Landlord Liaison Program to maximize access to the rental market, including using master leasing.</li> <li>• Facilitate movement from one housing intervention type to another to best serve the changing needs of clients as required supports increase or decrease, including sites with enhanced medical and behavioral health supports.</li> </ul>



## Appendix D: Indirect Costs of Homelessness Table

### Estimates of Indirect Costs Associated with Homelessness

Cost Category	Not Chronic / All Homeless	Chronically Homeless	Location	Study
<b>Healthcare Costs</b>				
Total Healthcare Costs:	\$24,324 per person per year		Bernalillo County, NM (2016)	Pathways to a Healthy Bernalillo County: Housing Pathway Return on Investment Analysis.
	\$8,191 per household per year		King County, WA (2018)	McKinsey & Company.
Hospital Services:	\$1,561 per person per year	\$1,875 per chronically homeless person per year	Nashville, TN (2007)	The Hidden Costs of Homelessness in Nashville: A Report to the Nashville Metro Homelessness Commission.
Medical Clinics:	\$389 per person per year	\$449 per chronically homeless person per year		
Mobile Emergency Medical Services:	\$97 per person per year	\$186 per chronically homeless person per year		
Emergency Healthcare:	\$8,078 per person per year		Denver, CO (2021)	Costs and Offsets of Providing Supportive Housing to Break the Homelessness-Jail Cycle: Findings from the Denver Supportive Housing Social Impact Bond Initiative.
Medicaid:	\$19,512 per person per year		Portland, OR (2016)	Formerly Homeless People Had Lower Overall Health Care Expenditures After Moving into Supportive Housing.
<b>Criminal Justice Costs</b>				
Criminal Justice Costs (all):	\$5,146 per household per year		King County, WA (2018)	McKinsey & Company.
Criminal justice, public safety, and detox costs:	\$15,342 per person per year		Denver, CO (2021)	Costs and Offsets of Providing Supportive Housing to Break the Homelessness-Jail Cycle: Findings from the Denver Supportive Housing Social Impact Bond Initiative.
Police costs:	\$370 per person per year		Nashville, TN (2007)	The Hidden Costs of Homelessness in Nashville: A Report to the Nashville Metro
Jail costs:	\$396 per person per year			



Drug and alcohol treatment:	\$1,033 per person per year	\$3,259 per chronically homeless person per year		Homelessness Commission.
Court Costs:	\$365 per person per year	\$449 per chronically homeless person per year		
Public and Social Service Costs				
Social Services:		\$6,208 per unsheltered person per year	Tacoma, WA (2020)	Exploring Homelessness Among People Living in Encampments and Associated Cost City Approaches to Encampments and What They Cost.
	\$754 per person per year		Nashville, TN (2007)	The Hidden Costs of Homelessness in Nashville: A Report to the Nashville Metro Homelessness Commission.
Homelessness advocacy:	\$123 per person per year			
Social services:	\$1,123 per household per year		King County, WA (2018)	McKinsey & Company.
Public services:	\$142 per household per year			
Economic Costs				
Tourism:	\$1,756 per household per year		King County, WA (2018)	McKinsey & Company.
Local Businesses Impact:	\$2,539 per household per year			
Estimates of overall indirect costs				
Total indirect cost:	\$5,148	\$13,661 to \$83,000	Santa Clara County (2012)	Home Not Found: The Cost Of Homelessness In Silicon Valley
Total indirect cost:	\$35,578 to \$40,448		United States (2017)	Ending Chronic Homelessness Saves Taxpayers Money; Ending Chronic Homelessness in 2017

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## Appendix E. Shortcomings of the PIT

The most commonly cited source of data on homelessness is the Point-in-Time Counts (PIT) organized by the U.S. Department of Housing and Urban Development (HUD). Conducted by local Continuums of Care (CoCs), HUD requires a count of the total number and characteristics of all people experiencing homelessness in each CoC's region on a specific night in January. CoCs count people living in emergency homeless shelters, transitional housing, and Safe Havens every year, and count unsheltered homeless persons every other year (the latest of which was 2017).

Shortcomings in HUD's PIT approach are well known and were further disrupted by the COVID-19 pandemic.

- **Counting methods vary across regions.** The biennial counts are large, coordinated efforts and can require hundreds of trained volunteers. Each CoC chooses from among a number of HUD-approved counting methods that will work for their region and resources. For example, Portland officials attempt to survey each homeless person while Seattle uses a combination of one-night headcounts followed by surveys of a sample of the homeless. Varied methods create challenges for interregional comparisons.
- **Counts are inherently low and miss hard-to-locate populations.** Researchers and volunteers' best efforts inevitably miss individuals who are sleeping in obscure places or who double-up with friends and families. Language barriers can contribute to undercounts.
- **Counts rely on unverified, self-reported conditions.** Measurement of key subpopulations (e.g., chronic, disabled) are based on self-reported conditions and are not subject to verification.
- **Changes in a categorization and purpose of a housing facility can change the homeless count.** Building functions change over time and affect the homeless counts year-to-year. For example, buildings that operate as transitional housing can become permanent supportive housing providing longer term housing and services to its residents. While the building's residents would not change, its operations and purpose would. The residents were considered homeless when the building was deemed transitional housing and were not when its status changed. Thus, the count of sheltered homeless dropped from one year to the next but the change was somewhat artificial.

Despite the well-known limitations, the PIT counts do convey useful information and are helpful in signaling big shifts in homelessness across time and geography. Additional research and analysis is often necessary to properly interpret and draw conclusions using PIT data.





Pierce County

# COMPREHENSIVE PLAN TO END HOMELESSNESS





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## CHARGE FROM THE PIERCE COUNTY COUNCIL

On March 23, 2021, the Pierce County Council adopted resolution R2021-30s. This resolution created the Comprehensive Plan to End Homelessness Ad Hoc Committee. The Ad Hoc Committee's work concluded on April 24th with the presentation and acceptance of the Action Plan. The Action Plan created a Steering Committee to oversee creation of a Comprehensive Plan to End Homelessness, and a Shelter Plan Work Group to create and implement a plan to create adequate shelter for all by November 1, 2021. This Comprehensive Plan is the product of the Steering Committee and includes the shelter plan. This report includes a large appendices with supporting information.



# EXECUTIVE SUMMARY

This plan designs a system to end homelessness. The single most important metric to assess the plan's effectiveness is whether the number of people experiencing homelessness is shrinking. The plan is a departure from prior plans by focusing on building a system scaled to the need.

## The plan recommends six goals:

- 1 Create a unified homeless system
- 2 Ensure interventions are effective for all populations
- 3 Prevent Homelessness
- 4 Ensure adjacent<sup>1</sup> systems address needs of people experiencing homelessness or at risk of homelessness
- 5 Meet immediate needs of people experiencing Homelessness
- 6 Expand the Permanent Housing System to meet the need

Throughout these goals is the mandate to use data to understand, design and evaluate programs around the unique needs of different populations. Accountability to the communities we serve is also a focus.

To meet needs adequately and effectively across the system, it requires both capital dollars and operating dollars. As of today, Pierce County already contributes \$40M annually to operate the current level of services. This plan estimates that to solve the county's widespread homelessness will require up to an **additional \$117M per year** for operations. Developing a funding strategy and orchestrating a collective community effort to implement it will help secure the necessary funding. Also, the plan estimates that effectively addressing homelessness could **save at least \$48 million** a year in other adjacent systems, such as police, medical care and other public systems (see Appendix C for details on offsets to adjacent systems). It will also save and repair lives, make other civic services more effective, and restore the use of parks, sidewalks, storefronts, and other public spaces for appropriate public use.

# VISION + VALUES

Everyone in Pierce County should have a home. This Comprehensive Plan envisions a system that **prevents** homelessness by stabilizing households at risk, and **immediately responds** to homelessness with appropriate shelter and a permanent housing intervention. While eliminating homelessness is nearly impossible, functional zero – a state where people have access to immediate shelter and an effective permanent housing program – is not just possible, but also necessary to achieve nearly every other civic interest. For example, success in schools requires that students and their families have adequate housing. Housing is also necessary for child welfare, physical health, mental health, and public health, for economic development and wage progression, for appropriate use of emergency services, public safety and order, environmental protection, justice, and racial justice.

Our vision is an integrated, adaptable, and responsive network of services that supports restoration, stability, and self-determination for everyone— regardless of economic or social circumstances, and regardless of where in our community they live.

Collaboration across jurisdictions, across business sectors, with faith-based and nonprofit organizations, philanthropic organizations, and with neighbors housed and experiencing homelessness is key. Only working in unison, with a clear plan, can we create shelter and affordable housing to meet the existing and future need so that everyone has a home.

By using the Target Universalism framework – setting universal goals and using targeted programming to achieve those goals - equity is built into every aspect of this plan. The human consequences of inequity affect us all. This work must identify the systemic barriers that keep people from securing and maintaining affordable housing, and our work must focus on removing those barriers.

<sup>1</sup> Adjacent systems are those that serve or interact with people experiencing homelessness or at risk of homelessness but are not part of the formal homeless system. Examples include the healthcare system, law enforcement, and the behavioral health system.



# STEERING COMMITTEE

The Steering Committee responsible for the development of this plan was comprised of a broad range of advocates, providers, and other interested parties. The full committee met monthly from June to December 2021.

## COMMITTEE MEMBERS

- Service Provider Representative  
Faatima Lawrence, Catholic Community Services
- Service Provider Representative - Sherri Jensen, Valeo
- Service Provider Representative - Courtney Chandler, Associated Ministries
- Continuum of Care Representative - Dr. LaMont Green, Technical Assistance Collaborative
- Tacoma Pierce County Coalition to end Homelessness Representative - Maureen Howard, Tacoma-Pierce County Coalition to End Homelessness
- Faith Community Representative - Rich Berghammer, Tacoma-Pierce County Coalition to End Homelessness
- Business Community Representative - Greg Helle<sup>2</sup>, Absher Construction
- Philanthropic Community Representative - Erika Tucci, Cheney Foundation
- Tribal Community Representative - Ashley Howard
- Affordable Housing Committee Representative - Michael Mirra
- Pierce County Human Services Representative - John Barbee, Pierce County Human Services
- County Executive Representative - Steve O'Ban, Pierce County Executive's Office
- Representing the City of Puyallup - Ned Witting, Puyallup City Council
- Representing the City of Tacoma - Allyson Griffith, City of Tacoma
- Representing the City of Lakewood - Tiffany Speir, City of Lakewood
- Representing the community - Gina Cabiddu, from Gig Harbor/Key Peninsula Area
- Representing the community - Fred Palmiero, from East Pierce County
- Representing Individuals with Lived Experience - Mingo Morales<sup>2</sup>

<sup>2</sup> Mingo Morales and Greg Helle both resigned from the Steering Committee Prior to completion of the Comprehensive Plan.

## SHELTER PLAN WORK GROUP MEMBERS

- Outreach Provider Representative - James Pogue, Comprehensive Life Resources
- Family Services Provider Representative - Kelli Robinson, Our Sister's House
- Shelter Providers Representatives - Duke Paulson, The Rescue Mission
- Individuals with Lived Experience of Homelessness Representative - Dakota Foxx, Power of 2
- Tacoma-Pierce County Coalition to End Homelessness Representative - Mike Boisture
- City of Puyallup Representative - Melissa Moss
- City of Tacoma Representative - Matthew Jorgensen
- Pierce County Human Services Representative - Anne Marie Edmunds

## SUBCOMMITTEES

Seven subcommittees were created to advance the work, with subcommittees meeting as frequently as weekly.

### Targeted Universalism and Accountability

Define and amplify concept of Targeted Universalism as foundational to this plan. Support other committees to integrate targeted universalism into the plan. Identify mechanisms to monitor performance and hold the homeless system accountable to the community, especially around groups identified for targeted interventions.

### Homeless Prevention Subcommittee

Identify the role of homeless prevention programs in reducing homelessness. Set boundaries for what portions of homeless prevention should reside within the homeless response system – especially for targeted populations.

### Permanent Housing interventions

Determine how Rapid Rehousing, Permanent Supportive Housing, and the Landlord Liaison Project need to be expanded and improved to meet demand – especially for targeted populations.

### Funding Source Development

Identify existing and potential funding sources to pursue in order grow the homeless system to meet need.

### Temporary Housing and Navigation interventions

Determine how Shelter, Diversion, Outreach and Critical Time Intervention can be expanded to meet demand and improved to speed progress to permanent housing – especially for targeted populations.

### Medical and Behavioral Health Connections

Assess need and current system capacity. Create plans to modify or expand existing medical and behavioral health systems to better meet the needs of people experiencing homelessness.

### Prioritization Approach

Determine a methodology to prioritize what project to next fund when additional resources become available. Consider methodologies such as prioritizing targeted groups, geographic areas, or interventions types.



## COMMITTEE OBJECTIVES

*The Ad Hoc Committee initially created by the County Council identified the following objectives for the Comprehensive Plan to accomplish, serving as a foundation to this plan:*

- 1 Prioritize capital and operating funds so that as additional resources are acquired the next project for that funding is clear.
- 2 Identify what additional resources our community needs and where to advocate and lobby for them.
- 3 Make sure our goals are Specific, Measurable, Achievable, Relevant, and Timely (SMART).
- 4 Focus on long-term, high-level policy goals that regional elected officials and staff can support, and that local plans can feed into and/or support.
- 5 Focus not just on what has historically been possible but develop a plan that meets actual need; be innovative, yet practical.
- 6 Use the Built for Zero methodology to achieve “functional zero:” acceptable shelter and an appropriate permanent housing intervention immediately available.
- 7 Develop more than just a plan; focus on specific steps for action and implementation.

## COMMITTEE PRINCIPLES

*Further the Ad Hoc Committee identified these principles to guide development of the Comprehensive Plan:*

- 1 Focus on diversity, racial equity, and inclusion.
- 2 Build plans based on the concept of “targeted universalism”; develop a common goal to address all homeless, with programs designed to meet the unique needs for specific populations (e.g., Veterans, families, youth, DV, etc.).
- 3 Include experts who have lived unsheltered and other marginalized populations in the planning/design process.
- 4 Start with a value statement about overall intent of plan (such as “Ensure a place where all people belong”).
- 5 Ensure a shelter plan strives for immediate access to shelter for all populations and includes a wide variety of shelter types so shelter is accessible to all.
- 6 Create a regional approach that locates shelters and programs near prior permanent residences and support structures; downtown Tacoma cannot continue to be the only answer.
- 7 Utilize best practices, published research, and local research and analysis such as past reports and surveys.
- 8 Ensure the racial composition of the Steering Committee reflects the diversity of the population served.

## COMPREHENSIVE PLAN TO END HOMELESSNESS

The gap between the system articulated in the Values and Vision statement on page 3 and the current homeless crisis response system is substantial. Expanding the homeless crisis response system to meet the needs of all people currently experiencing homelessness is an opportunity to build a system that better meets the unique needs of each household experiencing homelessness. Community engagement, a broad set of experiences on the Steering Committee, engaging people with lived experience, and leveraging the targeted

universalism framework – described later in this document – are key tools to re imagine and redevelop the homeless crisis response the community needs. Most goals in this plan focus on developing a more comprehensive homeless crisis response system. However, the community is best served by stabilizing households before they become homeless. Accordingly, several goals also include efforts to advance work on homeless prevention and affordable housing.



## COMMUNITY ENGAGEMENT

Ensuring the widest possible input on this Comprehensive Plan has enabled this plan to best reflect current needs in the community as well as the resources and approaches needed to meet those needs. Community engagement has spanned a variety of approaches, including presentations to community groups, an on-line open house, a survey of people experiencing homelessness, and bringing individuals and community groups into the Steering Committee and its subcommittees.

Community engagement will be a constant element in plan implementation. This Comprehensive Plan will evolve as new information is learned and as the needs of people experiencing homelessness and the communities they live in are better understood.

## LIVED EXPERIENCE

Similarly, our development and expansion of programs will be most successful when individuals and groups with lived experience are part of the decision-making and implementation processes. All strategies in this plan leverage the expertise of people with

lived experiences and organizations that work to advance the needs of target populations. We will continue to involve individuals with lived experience throughout our implementation efforts.

## TARGETED UNIVERSALISM

Targeted Universalism is a framework to pursue a common, shared goal with multiple strategies designed for the unique needs of different groups. Strategies are developed using a five-step framework:

1. Establish a universal goal
2. Assess general population performance to the universal goal
3. Identify groups that are performing differently with respect to the goal
4. Assess and understand the structures that support or impede each group from achieving the universal goal
5. Develop and implement targeted strategies for each group to reach the universal goal

Within the homeless system, that goal is permanent housing. Reaching that goal may require different approaches for different groups. Using targeted universalism as a foundation to this

plan means reviewing enrollment data and outcome data to identify programs with low enrollments or poor outcomes for specific under served populations. When data indicates the need for a targeted approach specific to a population, we will design or modify programs around the unique needs of the affected population. Some groups may benefit from simple technical fixes, such as ensuring ADA accessibility of shelter spaces. Other groups may see improved outcomes only with deeper structural reforms. These reforms may include new service providers run by the populations currently experiencing poor outcomes.

## STRATEGY AND ACCOUNTABILITY EXPECTATIONS

The development of each goal and strategy in this plan requires customization for these targeted populations. In addition, Pierce County must create reporting tools and dashboards to ensure accountability that can be disaggregated by enrollments and exit outcomes for each targeted population.

## TARGETED POPULATIONS

Populations with known unique needs, those who are shown locally or nationally to have poor outcomes in homeless systems, and those disproportionately experiencing homelessness benefit from targeted strategies to exit homelessness. Monitoring of enrollments and program outcomes, as well as identifying specific strategies to improve enrollments and outcomes, is necessary for the following populations:

- Black, Indigenous and people of color (BIPOC)
- People with disabilities – as defined by the American with Disabilities Act
- Seniors – over the age of 65
- Families with children
- Members of the lesbian, gay, bisexual, transgender, queer, intersex, asexual, two-spirit (LGBTQ+) community
- Youth aged 12 to 18 and young adults between 18 and 24 unaccompanied by family
- People currently fleeing domestic violence, including intimate partner violence and other unsafe situations
- Veterans who have served in the United States armed forces



# ACHIEVING FUNCTIONAL ZERO

This plan targets functional zero - A state where any person starting a new homeless episode has immediate access to shelter and a permanent housing intervention. This acknowledges that homelessness will never fully disappear from a community. Instead, it aspires to making it rare, brief and, when it happens to someone, they do not experience it again. This approach is in use in nearly 100 communities across the United States, including six of the largest twenty cities as well as a mix of suburban, urban, and rural communities. It has resulted in 14 communities ending homelessness for target populations, and 44 communities with measurable reductions.

Communities successfully reaching functional zero follow a common methodology. Each aspect of the methodology can be found in the Comprehensive Plan goals, strategies, and accountability measures below. Those aspects are:

- **By-name list** - a list of every person in the community experiencing homelessness, continuously updated
- **Integrated Command Center Team** – implemented as the Unified Regional Office to End Homelessness, brings key agencies together to work towards functional zero
- **Community-level measurement** – measure success by the number of people experiencing homelessness.
- **Data-driven housing investments** – securing the housing resources needed to house people experiencing homelessness

Success of this plan will be measured by the reduction of the total number of people experiencing homelessness and how quickly they exit homelessness to permanent housing. Individual programs will still need to be accountable for client outcomes, but the focus will be on the community-wide goal of ending homelessness.

To achieve the goal of ending homelessness by reaching functional zero, real time data is needed to tailor interventions to each individual, pivot to address needs common to target populations, and have a clear picture of the homeless crisis response system.

With disparate outcomes for many populations, a focus on racial equity is necessary. Targeted Universalism will allow that focus to permeate program design and accountability tools.

Functional zero requires not just quick responses to households experiencing homelessness, but also creating supports necessary to prevent people from becoming homeless in the first place.



## AFFORDABLE HOUSING

The causes of homelessness are complex and require a systematic response that accounts for that complexity. Yet, the complexity should not conceal a basic cause: Pierce County does not have enough housing for its residents, and much of its housing is not affordable, especially for households earning less than 50% of Area Median Income . With high rents, households under 50% AMI will be rent burdened (meaning they spend more than 30% of their income on housing), and without subsidies, housing is nearly inaccessible to households under 30% AMI. While increasing the supply of housing available to people experiencing homelessness is ultimately the most important factor affecting the success of ending homelessness, that effort cannot be addressed through this plan alone. The homeless crisis response system needs to coordinate with private and public housing developers, the South Sound Housing Affordability Partners (SSHA3P), and various municipal affordable housing action strategies. The Pierce County Council has also commissioned an affordable housing strategy due in early 2022. The current capacity, current and future demand, and the unique needs of people experiencing homelessness must be included in this and other affordable housing plans.

The need for very low-cost housing requires particular attention be paid to retaining and developing a wide variety of housing types, including shared housing, mobile home and RV parks, community land trusts, clean and sober transitional housing, single room occupancy projects, and permanent tiny house villages.

Ultimately, without access to permanent affordable housing that low-income households can sustain, the homeless crisis response system cannot successfully exit households from homelessness.

<sup>3</sup> Area Median Income (AMI) is an indicator of income relative to other households and is adjusted for household size. For example, a household of 3 earning less than \$40,901 is under 50% AMI, and if they earned less than \$24,551 they would be under 30% AMI. The US Department of Housing and Urban Development posts program income limits based on AMI at <https://www.huduser.gov/portal/datasets/il.html>



## SYSTEM DATA

Data is a key tool to accomplish the goal of permanent housing for all. The Homeless Management Information System (HMIS) is currently used to store and manage our community's data specific to homelessness. The Homeless Management Information System is accessible to all providers in the community and allows monitoring of individual outcomes, program and provider performance, and overall progress towards ending homelessness across the entire homeless crisis response system. It also facilitates the creation and management of by-name lists (defined below), allowing us to respond to homelessness at the individual level.

Use of the Homeless Management Information System is required for all County agencies funded as part of the homeless crisis response system. For system data to be most useful and accurate, Homeless Management Information System use must be expanded to include use by all agencies in the community, not just those funded by the County.

While the Point-in-Time (PIT) Count will continue to be a superb tool to learn general year over year trends about people experiencing homelessness, using the Homeless Management Information System to manage the by-name list will provide the timely, accurate and information rich data needed to monitor progress to ending homelessness and to design programs to close the gap between system capacity and need. More information about the Point-in-Time count is available in Appendix I.

## BY-NAME LIST

The Plan proposes the creation and maintenance of a by-name list of all people currently experiencing homelessness. By-name lists are presently managed in the Homeless Management Information System only for veterans and for youth and young adults. In the goals below, those lists are expanded to include all people experiencing homelessness. That list would be shared and managed by all providers in the homeless system. It would be continually maintained to ensure that every person encountered during street outreach, staying at a shelter, or engaging any part of the homeless crisis response system is known.

To fully implement a by-name list for all people experiencing homelessness, several challenges need to be overcome.

Often data input by service providers has inaccuracies and can be prone to delay in data entry. For data to be leveraged accurately and efficiently, data must be correct and up to date; expanded technical assistance will help us to achieve this. This effort will also only be successful by increasing HMIS utilization to 100%.

Creating a universal by-name list serves several purposes. It better ensures that all persons receive what the system has to offer. It allows for better evaluation and assessment of the system's effectiveness. It will allow monitoring of progress towards ending homelessness. Analysis will also allow the comparison of needs and outcomes for all eight target populations identified in the targeted universalism section. Understanding those unique needs will drive program design. This data will provide transparency to allow for a greater level of accountability of individual providers and the entire system to people experiencing homelessness, funders, service providers, elected decision makers, and the general population. Finally, a by-name list reminds us that lives are at stake and that every single one of them is somebody, a unique person to know and serve by their name.

## MERGING OUTSIDE SYSTEM DATA

In addition to maintaining high quality comprehensive data in the Homeless Management Information System, it is necessary to merge that data with other data sources to understand the needs of people experiencing homelessness. For instance, tracking exits from incarceration to homelessness is only possible through joining data from both the Homeless Management Information System and jail and prison systems. Any effort to end the cycle of homelessness and incarceration requires monitoring that connects data in real time. This need for data integration is described in several goal strategies outlined below.

## QUALITATIVE DATA

Quantitative (numerical) data is valuable but can often miss important information. Qualitative (narrative) data can provide additional information for use in decision making. In addition to expanding the use of quantitative data collection and analysis, expanded qualitative data collection is also needed and included in some goal strategies.



## RESEARCH EXPECTATIONS

To remain relevant over time, many strategies in this plan have been developed based on regular review of published studies, research, conference presentations and other sources of information detailing evidence-based best practices. It is important to our success that Pierce County continue to use best practices research in program development and expansion, and that we enable rigorous evaluation of our own efforts to assess performance.

## PREVENTION

While prevention has not historically been considered within Pierce County's homelessness response system, no comprehensive plan to end homelessness can ignore the value in preventing homelessness altogether as the best way to end it. Prevention is less costly and more humane, but it requires extensive cross-system collaboration, such as with criminal justice, foster care, education, behavioral health, and other systems that interact with and affect people at risk of homelessness. Only by partnering can we create a supportive network that will work to keep people housed, ultimately resulting in our population never having to experience homelessness at all.

## EXISTING PLANS

Major efforts are underway to improve this region's homeless crisis response system, including the Continuum of Care 5-year Plan to Address Homelessness (and its nearly identical companion Pierce County 5-year Plan to Address Homelessness) and the City of Tacoma Homeless Strategy. These are important projects that need to be considered and supported when executing this Comprehensive Plan to End Homelessness. Pierce County has also launched the development of a Housing Action Strategy. The Steering Committee reviewed these plans and incorporated relevant elements into this plan.

Many of these existing plans work to make incremental improvements to the homeless crisis response system, largely focusing on program outcomes, not system level outcomes. This Comprehensive Plan differs in that it recommends a system large enough to meet the current and future need in the community and looks at system level measures – such as the number of people experiencing homelessness – to monitor success. It also looks to address

many of the drivers of homelessness, as well as necessary connections to systems of support and services necessary to sustain housing, such as employment, mental health, and housing affordable to people under 50% area median income.

The five strategic objectives present in the Pierce County 5-year Plan to Address Homeless are largely reflected in this Comprehensive Plan. Objective 1 – quickly identifying and engaging all people experiencing homelessness – is completely supported in this plan by offering both shelter options and a permanent housing intervention at the onset of homelessness. Objective 2 – prioritizing housing for people with the greatest need – is not focused on in this plan. Rather, this plan works to build a system sized so that permanent housing interventions will be available to all people experiencing homelessness, not rationed to those with greatest need. Objective 3 – operating an effective and efficient homeless crisis response system is echoed in the focus on data and monitoring program success, especially around targeted populations. Objective 4 – projected impact: number of households housed and number of households unsheltered – is superseded by the more ambitious goal in this plan to reach functional zero. Finally, Objective 5 – address racial disparities among people experiencing homelessness – is echoed in plans to distribute shelter and other services geographically across Pierce County as well as the work to leverage the targeted universalism framework in all aspects of plan implementation.

The Adequate Shelter for All Plan, developed concurrently with this Plan and attached, is key to addressing homelessness. Fully implementing the shelter plan is included as a strategy.

Many other plans touch on the homeless system, such as County and municipality affordable housing strategies and behavioral health plans. These plans should be regularly reviewed and areas for collaboration identified. In addition, dashboards monitoring the Comprehensive Plan goals must be merged with dashboards used to monitor the Continuum of Care 5-year plan to address homelessness and the City of Tacoma Homeless Strategy.



## FUNDING

Pierce County has made strides in providing the right type of interventions to homeless individuals in recent years, moving thousands into permanent housing. However, increased and sustained funding is required to successfully implement the goals in this plan and achieve and maintain functional zero. While many improvements are recommended across the homeless crisis response system and beyond, the core requirement to adequately address homelessness is to significantly expand the capacity of the response system all along the continuum. This will require more funding. Several goals in this plan develop strategies around funding. Potential funding sources are detailed in Appendix B. Appendix A contains a list of existing funding sources. Funding for homelessness prevention should also be identified (e.g., emergency gap funding, affordable housing unit construction funding, financial counseling, etc.)

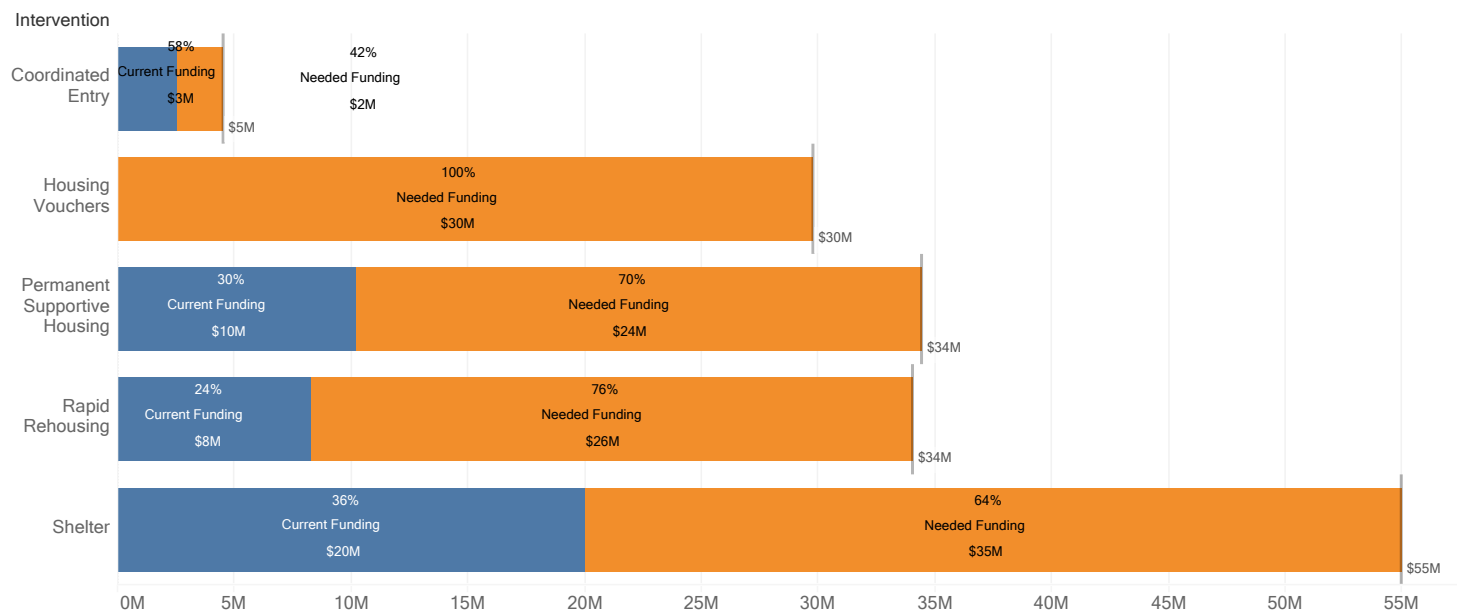
### COMMUNITY-WIDE SAVINGS FROM ADDRESSING HOMELESSNESS

Addressing homelessness can also save money. Appendix C details the spectrum of costs related to homelessness, such as those incurred while serving people experiencing homelessness in the formal homeless system, in adjacent systems such as schools and the medical system, and lost opportunity costs related to the impacts of homelessness on tourism and business. The costs of homelessness are spread across many different systems, but taken together, they exceed \$40,000 for a chronically homeless individual per year. That eclipses the \$22,000 cost to provide permanent housing to that individual. To immediately serve all people entering the homeless system with a permanent housing intervention would have an additional \$48M per year cost, but \$28M of that cost would be offset by savings in adjacent systems.

### FUNDING GAP

A gap currently exists between the funding needed to operate the homeless crisis response system to achieve functional zero over a 5-year time span and the funding currently available. The graph below shows the annual amount of funding (in blue) versus the additional amount needed (in orange) for each intervention.

#### CURRENT AND NEEDED ANNUAL OPERATIONS FUNDING



The County's total system annual investment is currently around \$40M, with an additional \$117M needed to operate based on total need to reach functional zero in five years.

The \$117M annual increase is only operational costs. Capital costs for the shelter increase alone could cost as much as

\$15M. For permanent Supportive Housing, depending on the unit cost and the split between tenant-based and project-based, unmet capital costs could be as high as \$400M.

Assumptions and details around these calculations are listed in Appendix K.





## UNIFIED REGIONAL OFFICE OF HOMELESSNESS

Effective homeless response systems have coordination among all the parts<sup>4</sup>. This coordination allows a successful, regional response to homelessness and must include effective leadership, a shared vision, a plan, a governing structure, application of data, and a structure for ongoing effectiveness. A Unified Regional Office of Homelessness includes:

- **Shared Vision, Accountability, and Transparency**
  - A shared vision of the homeless response system is necessary, as well as principles for communication, implementation and accountability to build and maintain cooperation and coordination among the many partners and constituents of the system.
- **Cost Effective Performance and Accountability** – The homeless response system must be accountable for program performance. It must have performance measures embedded into the funding and implementation of each element an expectation and enforcement of best practices, accountability, and cost effectiveness. This is most effectively done with a single organization overseeing reporting requirements for all homeless programs operating in the region.
- **Coordination Among Plan Elements and Partners** -- The Comprehensive Plan needs coordination of at least two types among its elements and partners, especially for prioritization purposes:
  - ▶ Coordination of Investment and Operation Among Elements of the Plan -- The plan will need coordination among its necessary elements. For example, sheltering persons living on the street require outreach workers to elicit their interest in receiving services and then to direct them to shelter and services. For outreach workers to do that, they need a ready supply of appropriate services and shelter to offer. Without this coordination, one unavailable part of the continuum will become a log jam for other parts.

- ▶ Consultation and Coordination Among the Partners
  - The plan will need adequate consultation and coordination among the many partners, including:

- |  |  |
|--|--|
| • Persons experiencing homelessness.       | • Private, nonprofit and public housing organizations. |
| • Pierce County government                 | • Business community.                                  |
| • The cities and towns of Pierce County.   | • Philanthropy   |
| • Police and emergency services.           | • Faith organizations.                                 |
| • Private and nonprofit service providers. | • Volunteers.  |
| • Advocacy and grass roots groups.         | • Veteran services providers                           |
|  | • The general public                                   |

- **Coordination of the Collection and Analysis of Data** – Discussed in detail throughout this plan is the importance of data. The plan will require the continual collection, analysis, and publication of robust data, including:
  - ▶ The extent and nature of the County's homelessness, including how many people, location, family composition, race, gender, age, veteran status, and service needs, and the goals of the people experiencing homelessness.
  - ▶ Data showing how to judge a person's risk of homelessness.
  - ▶ The effectiveness or lack of effectiveness of each part of the crisis response system.
  - ▶ The relative cost effectiveness of each part of the plan and intervention.
  - ▶ The effectiveness of each intervention against stated objectives.

Implementation, leadership, and homeless crisis response system management responsibilities may shift, as appropriate, from the Pierce County Human Services Department to a new Unified Regional Office.

<sup>4</sup> Different unified command structures are in use across the country. Richmond Virginia ( <http://endhomelessnessrva.org/> ), Austin Texas ( <https://www.austinecho.org/> ), Houston Texas ( <https://www.homelesshouston.org/> ) and the Columbus Ohio Unified Funding Agency ( <http://www.columbusfranklincountycoc.org/> ) are examples of placing the Unified Regional Office in the Continuum of Care structure. Snohomish County Washington ( <https://snohomishcountywa.gov/720/Continuum-of-Care-CoC> ) and Guam ( <https://www.ghura.org/about-ghura/community-development/continuum-care> ) are examples of local government agencies with authority for their Unified Regional Office.



## ACCOUNTABILITY

The homeless crisis response system must be accountable to many constituents. The primary accountability is to people experiencing homelessness. In addition, the system must be accountable to funders, nonprofit service providers, and the community.

It is easy to make assumptions about the success or failure of the homeless crisis response system by observing urban street homelessness. Visible unsheltered homelessness is important to address but using only that metric as a measure of success hides much of both the need and the services provided.

To be accountable, Pierce County Human Services must provide information on current and historical demand for homeless services, the services provided, and the capacity to provide additional services. Only by providing transparency can constituents understand how well the system and providers are performing. Pierce County Human Services will provide weekly, monthly, quarterly, and annual dashboards and reports that are available to the public. These reports are key to assessing and meeting accountability requirements. Monitoring outcomes allows adaptability in particular programs or the entire system. Each goal in the plan has accountability built into that work so that it is possible to monitor efforts for impact.

## PRIORITIES

This plan focuses on the full continuum of needed services and includes the many elements necessary to address the different aspects of the need, including the following:<sup>5</sup>

- **Coordination** among all levels of government and providers in Pierce County to coordinate among the different elements of the plan, to better ensure programs reflect effective practices, and to collect data for program adjustment, evaluation, and accountability.
- **Prevention services** that accurately identify households that, without intervention, will become homeless, and that offer them effective services or resources to keep them housed.
- **Outreach teams** to actively engage with homeless persons, especially those who are chronically unsheltered and who are resistant to services. The teams must have the services listed below to offer.
- **Drop-in and service centers** to offer daytime respite space, storage facilities, introduction to services, and the building of relationships with outreach workers.
- **Safe shelter options** ranging from those with less structure and fewer services, such as safe parking spots and sanctioned encampments, to shelter with more structure and more services, such as congregate shelter and tiny house shelters.
- **Housing programs** to provide permanent housing or to help people find permanent housing, such as Rapid Re-Housing, rental assistance, and permanent supportive housing.

<sup>5</sup> See Gibbs, Bainbridge, Rosenblatt and Mammo, How Ten Global Cities Take on Homelessness: Innovations That Work, page 22 – 23 (University of California Press 2021)







## BENEFITS

Despite a focus on this whole-system perspective, though, it's unlikely we will be able to fully fund all needs. The implementation of the plan will likely require more time and more resources than what will be available. This means that Pierce County will need to prioritize its efforts. Prioritizing shelter has the following advantages:

- **Concern for persons living on the street, in cars, or in parks or woods:** Living outside is dangerous to persons who must do it. It impairs their health. It limits their prospects. It is dehumanizing. The County's efforts should prioritize serving them. This priority would recognize the individual health and public health risks of unaddressed and unsheltered homelessness.
- **Street homelessness is expensive and damaging to other civic systems and values.** Civic systems include police, fire/EMT, courts and jails, mental health services, hospital emergency room care, and inpatient hospital care. Solving street homelessness will save money in these other systems. Street homelessness also shows most clearly the inequitable disparities present among the population experiencing homelessness: disproportionate representation among the street population of BIPOC, disabled seniors, and LGBTQ youth. Solving street

homelessness will also address the inequitable geographic distribution that burdens communities with large numbers of people experiencing unsheltered homelessness

- **Solving street homelessness will generate support from a public that wants its public spaces back for public use.** Street homelessness is a serious imposition on the public use and enjoyment of important public spaces, such as sidewalks, parks, thoroughfares, and store fronts. Restoring the public use of these spaces will help generate the public support this plan will require.

## FLEXIBILITY

One final component important to this plan is flexibility. The County's priorities should remain flexible for at least two reasons: first, the extent or nature of the County's homelessness will change; and second, luck or contingency will determine what is or is not possible to do. For example, parts of the plan will require the purchase or use of land, hotels, or housing. Real estate opportunities are hard to predict. The homeless response system should be ready to grab them when they arise even if doing so might be out of priority order. Developing flexible cash resources that are ready to take advantage of funding or other opportunities will have substantial benefits.





## GOALS AND STRATEGIES

The following six goals and strategies were developed by the full Comprehensive Plan Steering Committee based on the concepts and best practices described above. They are rooted in best practices and together represent a whole system approach that, until now, the County has been reluctant to pursue. These six goals are not quick, easy, or cheap, but the Steering Committee believes they will allow Pierce County to achieve “functional zero” for homelessness.

For each of the six goals below, we identify key strategies and accountability measures to ensure success and foster system transparency. The steering committee also identified roles, effort needed, and estimated costs for each goal. Roles are mostly attributed to the Pierce County Human Services Department. As the Unified Regional Office is stood up, responsibilities may transfer to that entity. Effort needed and estimated costs are marked as either low or high. Low indicates the existing resources are probably adequate to accomplish the goal. High indicates additional resources will be necessary.

The order of the goals does not indicate priorities. Goal implementation is expected to occur concurrently.





## GOAL 1 CREATE A UNIFIED HOMELESS SYSTEM

Many factors are necessary to end homelessness: effective management, sufficient resources, coordination of those resources, accountability, and skilled leadership. A unified approach will enable an understanding of the entire need in the community and allow the leadership, management and resource acquisition and distribution necessary to meet that need.

### STRATEGIES

- 1.1** By July 1, 2023, create a Tacoma-Pierce Unified Regional Office of Homelessness, consisting of the right stakeholders with central decision-making authority of funding and services.
- 1.2** Initiate a consultant-led process to design the Unified Regional Office organizational leadership structure to prevent and end homelessness, including leading community engagement and communication efforts.
- 1.3** Create and maintain a model to estimate funding needed to close the gap between homeless prevention and homeless crisis response system need and capacity. For current gap analysis, see Appendix K.
- 1.4** Improve resource acquisition by maintaining homeless crisis response system funding master list (see Appendix A), including current, expected, and potential future federal, state, local jurisdiction, philanthropic and other system funding.
- 1.5** Develop and maintain a strategic funding plan to retain existing funding and close the funding gap using identified potential funding sources and pursue that funding with a coordinated, County-wide, cross-industry effort.
- 1.6** Support agencies to ensure financial resiliency.

### ACCOUNTABILITY

- 1.7** Publish an analysis of the current homeless crisis response system funding and system design decision making and leadership structure.
- 1.8** Provide quarterly updates on progress towards implementing the Unified Regional Office.
- 1.9** Publish a quarterly dashboard showing current funding sources and the uses of that funding.
- 1.10** Publish a quarterly dashboard showing the current and historical funding gap between need and capacity for each aspect of the homeless crisis response system.

### ROLES, EFFORT AND COST

- Implementation Responsibility – Pierce County Human Services
- Level of Coordination Effort – High
- Implementation Costs – Low



## GOAL 2

## ENSURE INTERVENTIONS ARE EFFECTIVE FOR ALL POPULATIONS

Targeted Universalism requires considering the unique needs of target populations within each service. The first step in developing targeted strategies requires engagement with members of the target populations. Continued engagement with targeted populations is vital, using community outreach as well as surveys and other tools to identify areas to improve.

### STRATEGIES

- 2.1** Create a Race and Equity Strategy Team or expand role of existing equity efforts such as with the Continuum of Care to research, develop and assist organizations to implement program changes to align with the needs of target populations.
- 2.2** Engage twice yearly with individuals and organizations from target populations to identify concerns with the existing homeless crisis response system and needed program alterations or additional providers.
- 2.3** Annually review interventions and services to ensure referrals, enrollments and outcomes are being monitored for each target population.
- 2.4** Annually conduct a quantitative and qualitative service quality survey, including a “hope scale”<sup>6</sup> type survey, of a sample of people experiencing homelessness. Ensure the survey is part of a trauma informed process accessible to the widest possible audience, preferably administered by people experiencing homelessness themselves.

### ACCOUNTABILITY

- 2.5** Publish annual reports documenting identified concerns with interventions, strategies to remedy those concerns, and status updates on past strategies. The annual report must also document any interventions or services with low performance or low enrollments for specific populations along with strategies to remedy those deficiencies.
- 2.6** Publish monthly dashboard showing program referrals, program enrollments, and program outcomes for each permanent housing intervention, broken out by sub-populations.
- 2.7** Publish annual report on changes in the service quality survey results.

### ROLES, EFFORT AND COST

- Implementation Responsibility – Pierce County Human Services
- Level of Coordination Effort – Low
- Implementation Costs – Low

## GOAL 3

## PREVENT HOMELESSNESS

Preventing housing instability and stabilizing households at risk of homelessness is a key strategy to ending homelessness. Available funding must be targeted where it will prevent homelessness for the greatest number of households. Funding must increase to reduce the number of at-risk households.

### STRATEGIES

- 3.1** Revise homeless prevention services eligibility based on best practices, with eligibility adjustments to accommodate varying levels of resources available for rent assistance to target the assistance where it will prevent homelessness for the greatest number of households.
- 3.2** Provide mortgage assistance for at-risk homeowners.
- 3.3** Develop and support shared housing units for those unable to afford living alone.
- 3.4** Provide financial counseling and life skills training to assist at risk households with financial stability.
- 3.5** Expand Diversion to households at risk of homelessness.

### ACCOUNTABILITY

- 3.6** Publish rent and mortgage assistance eligibility requirements, policies, and procedures.
- 3.7** Publish monthly dashboards showing rental and mortgage assistance system performance.
- 3.8** Expand Coordinated Entry eligibility to households at risk of homelessness.

### ROLES, EFFORT AND COST

- Implementation Responsibility – Pierce County Human Services
- Level of Coordination Effort – High
- Implementation Costs – High



## GOAL 4

# ENSURE ADJACENT SYSTEMS ADDRESS NEEDS OF PEOPLE EXPERIENCING HOMELESSNESS OR AT RISK OF HOMELESSNESS

Adjacent Systems – those that serve people experiencing homelessness or who are at risk of homelessness but are not part of the formal homeless crisis response systems - are seldom designed with the unique needs of people experiencing homelessness or at risk of homelessness. Making changes to these adjacent systems, including locating adjacent system services at homeless program sites, can improve outcomes for people experiencing homelessness. For a partial list of adjacent systems, see Appendix J.

### STRATEGIES

- 4.1** Develop more coordinated communication among adjacent systems.
- 4.2** Create or join existing workgroups to identify and implement best practices so individuals can more easily access services in adjacent systems.
- 4.3** Work with organizations in adjacent systems to develop and implement policies and procedures based on identified best practices.
- 4.4** Create or join existing workgroups to identify and implement best practices, including data sharing agreements, to assist and track individuals leaving institutional settings. For a partial list of institutional settings, see Appendix J.
- 4.5** Coordinate with the Pierce County Behavioral Health Division to ensure the Behavioral Health Improvement Plan updates continue to identify gaps in capacity and effectiveness for people experiencing homelessness and create implementation plans to close those gaps.
- 4.6** Partner with the Workforce Development system to identify gaps in effectiveness of workforce development system for people experiencing homelessness and work to close those gaps, ensuring availability of transitional employment programs that create pathways to self-sufficiency.

### ACCOUNTABILITY

- 4.7** Publish monthly dashboard listing count of individuals recently exiting institutional settings who are accessing the homeless crisis response system. For a partial list of institutional settings, see appendix j.
- 4.8** Partner with the Pierce County Behavioral Health Division to add housing and homeless specific metrics to their existing reports.

### ROLES, EFFORT AND COST

- Implementation Responsibility – Pierce County Human Services
- Level of Coordination Effort – Low
- Implementation Costs – High<sup>7</sup>



<sup>7</sup> Implementation costs may be needed for adjacent systems to expand or alter programs to meet the needs of people experiencing homelessness.



## GOAL 5

# MEET IMMEDIATE NEEDS OF PEOPLE EXPERIENCING HOMELESSNESS

Meeting immediate needs for shelter, food, and pathways out of homelessness is vital. Knowing who is homeless and actively engaging them to assist entering shelter and establishing permanent housing will reduce the duration of homeless episodes.

### STRATEGIES

- 5.1** Create and manage a by-name list for the entire homeless population
- 5.2** Ensure every household experiencing homelessness has access to navigation services such as street outreach and Critical Time Intervention<sup>8</sup>.
- 5.3** Expand use of the Homeless Management Information System so all formal and informal interactions with people experiencing homelessness are recorded.
- 5.4** Prioritize funding to implement the Adequate for All plan to expand homeless shelter, attached, ensuring access at shelter sites to behavioral health services.
- 5.5** Expand Coordinated Entry to ensure appointments are available the same day or the next day in shelters, day centers and other access points across Pierce County
- 5.6** Offer Rapid Rehousing and Permanent Supportive housing interventions during the Coordinated Entry conversation.
- 5.7** Size the homeless outreach system to engage all people living unsheltered.

### ACCOUNTABILITY

- 5.8** Publish a monthly dashboard displaying the portion of individuals connecting with the homeless crisis response system who are on the by-name list
- 5.9** Publish a monthly dashboard displaying the portion of individuals on the by-name list receiving navigation services
- 5.10** Publish a list of agencies participating in the Homeless Management Information System and those not participating
- 5.11** Publish a monthly dashboard showing the Coordinated Entry System capacity and utilization, as well as wait times for Coordinated Entry “Crucial Conversations” and the elapsed time between coordinated entry conversation and program referral and housed outcomes.
- 5.12** Publish monthly dashboards showing the portion of people known to be experiencing homelessness who are staying in shelter.
- 5.13** Publish daily, up-to-date bed capacity and availability at all emergency shelters

### ROLES, EFFORT AND COST

- Implementation Responsibility – Pierce County Human Services
- Level of Coordination Effort – High
- Implementation Costs - High

### Community First! Village Model

*Austin, Texas*





## GOAL 6 EXPAND THE PERMANENT HOUSING SYSTEM TO MEET THE NEED

Permanent housing is the goal for all people experiencing homelessness. Because of the very limited supply of housing, a wide variety of interventions and approaches will be necessary.

### STRATEGIES

- 6.1** Expand funding for the Diversion Intervention to fully meet the need.
- 6.2** Expand funding for Rapid Rehousing Intervention to fully meet the need.
- 6.3** Create a dedicated housing voucher intervention for households experiencing homelessness and size existing housing voucher programs and Housing and Essential Needs to meet the need.
- 6.4** Size the capacity of the Permanent Supportive Housing system, including units and case management, to meet demand, using tenant-based and project-based programs, with a particular focus on projects that add new permanent housing at very low capital costs, such as hotel conversions and Community First! style housing development projects.
- 6.5** Expand shared housing to include all possible shared housing models.
- 6.6** Coordinate with affordable housing efforts to develop 0-30% AMI and 30-50% AMI housing dedicated to households exiting homelessness.
- 6.7** Size the Landlord Liaison Program to maximize access to the rental market, including using master leasing.
- 6.8** Facilitate movement from one housing intervention type to another to best serve the changing needs of clients as required supports increase or decrease, including sites with enhanced medical and behavioral health supports.

### ACCOUNTABILITY

- 6.9** Publish monthly dashboards estimating the need, capacity, current enrollments, new enrollments and exits for each permanent housing intervention type.
- 6.10** Publish quarterly dashboards estimating the need and capacity for 0-30% AMI housing and 30-50% AMI housing
- 6.11** Publish a monthly dashboard showing permanent housing pipeline.
- 6.12** Publish monthly dashboards to monitor units made available through the Landlord Liaison Programs.

### ROLES, EFFORT AND COST

- Implementation Responsibility – Pierce County Human Services
- Level of Coordination Effort – Low
- Implementation Costs – High



## Next Steps

Together, these six goals and related strategies and accountability measures will drive Pierce County to achieve functional zero. They will not be easy to implement but could be impactful to the future of our Community. The steering committee urges the Pierce County Council to adopt this plan and direct Human Services to develop and execute an implementation plan. We can only solve homelessness in our community by starting now.







# PIERCE COUNTY COMPREHENSIVE PLAN TO END HOMELESSNESS

## Appendices

December 2021

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## APPENDIX A – HOMELESS CRISIS RESPONSE SYSTEM FUNDING MASTER LIST

A list of all current, expected, and potential federal, state, local jurisdiction, philanthropic and other funding.

Current Homeless Funding						
	Funder	Program	Recurring Amount	One Time Amounts	Period	Use of Funds
Federal	HUD	Continuum of Care	\$ 4,106,180		1/1/21-12/31/21	Permanent Supportive Housing, Rapid Re-Housing, Transitional Housing, Data Collection (HMIS, Administration
Federal	HUD	Emergency Solutions Grant	\$ 271,290		7/1/21-6/30/22	Street Outreach, Emergency Shelter, Prevention, Rental Assistance, Data Collection (HMIS), Administration
Federal	THA	Rental Assistance	\$ 1,300,000		1/1/21-12/31/21	Utility Assistance, Rent Assistance, Internet, Operations, Administration
Federal	THA	Tacoma Schools Housing Assistance Program (TSHAP)	\$ 596,050		3/1/20-12/31/21	Diversion, Rental Assistance
Federal	THA	Emergency Housing Voucher Program	\$ 486,750		7/1/21-12/31/23	Housing Search and Location
Federal	HUD	Emergency Solutions Grant-Coronavirus		\$ 4,236,630	8/1/20-8/31/22	Street Outreach, Temporary Shelter, Emergency Shelter, Rapid Re-Housing, Hazard Pay, Volunteer Incentives
Federal	Treasury	Pierce County American Rescue Plan		\$ 2,300,000	4/1/21-03/31/22	Emergency Shelter, Sanitation & Hygiene
Federal	Treasury	City of Tacoma American Rescue Plan Tranche 1		\$ 7,000,000		
Federal	Treasury	Lakewood American Rescue Plan		\$ 1,000,000		Hotel Acquisition
<b>Current Federal Homeless Funding Subtotal</b>			<b>\$ 6,760,270</b>	<b>\$ 14,536,630</b>		
State	Commerce	Anchor Communities Initiative	\$ 470,000		7/1/21-6/30/22	Street Outreach, Emergency Shelter



State	Commerce	Consolidated Homeless Grant (including HEN)	\$ 5,283,847		7/1/21-6/30/22	Outreach, Emergency Shelter, Transitional Housing, Targeted Prevention, Rapid Re-Housing, Permanent Supportive Housing, Services Only, Housing and Essential Needs
State	Commerce	Emergency Solutions Grant	\$ 714,349		7/1/21-6/30/22	Street Outreach, Emergency Shelter, Prevention, Rental Assistance, Data Collection (HMIS), Administration
State	Commerce	Shelter Program Grant		\$ 1,883,390	7/1/20 - 6/30/23	Facility Support, Operations, Financial Assistance, Flexible Funding, Administration
State	Commerce	Emergency Solutions Grant-Coronavirus		\$ 4,371,305	7/1/20-8/31/22	Street Outreach, Temporary Shelter, Emergency Shelter, Rapid Re-Housing, Hazard Pay, Volunteer Incentives
State	Commerce	Hotel Sheltering Funding		\$ 5,100,000	7/1/21-6/30/23	Hotel Vouchers, Rapid Re-Housing,
<b>Current State Homeless Funding Subtotal</b>			<b>\$ 6,468,196</b>	<b>\$ 11,354,695</b>		
Local	Pierce County	Homeless - Document Recording Fee	\$ 17,415,000		7/1/21-6/30/22	Street Outreach, Emergency Shelter, Rapid Re-Housing, Permanent Supportive Housing
Local	Tacoma	Mental Health Substance Use Disorder Tax	\$ 785,000		1/1/21-12/31/22	
Local	Tacoma	HB 1406 retain portion of state sales tax				
Local	Pierce County	HB 1406 retain portion of state sales tax				
Local	Pierce County	Mental Health Substance Abuse Disorder Tax (only for use for behavioral health services)	12M -15 M			
Local	Tacoma	1590 Funds/ 1/10 of 1% sales tax				



Local	Tacoma	Community Development Block Grant	\$ 30,332			
Local	Tacoma	General Fund	\$ 4,756,342		1/1/21 - 12/31/22	
<b>Current Local Homeless Funding Subtotal</b>			<b>\$ 22,986,674</b>	<b>\$ -</b>		
<b>Current Homeless funding Total</b>			<b>\$ 36,215,140</b>	<b>\$ 25,891,325</b>		

<b>Current Affordable Housing Funding</b>						
Local	Pierce County	Affordable Housing Document Recording Fee	\$ 150,000		1/1/22-12/31/23	Capital development for 50% or below, operating and maintenance, emergency shelter operations and rental housing vouchers
<b>Current Local Affordable Housing Subtotal</b>			<b>\$ 150,000</b>			
Local	Pierce County	Pierce County 1406 Capital and Service Funding Low Income	\$ 1,400,000		1/1/21-12/31/21	Capital Development - Affordable housing for households at or below 60% of AMI or operating and maintenance of new project
Local	Tacoma	City of Tacoma 1406 Capital and Service Funding Low Income				Capital Development - Affordable housing for households at or below 60% of AMI or operating and maintenance of new project
Local	Public Housing Authorities	Section 8 Rental Assistance Public Housing Varied Financing				Public housing authorities are the county's largest source of affordable housing dollars measured by dollars or people served. That financing comes in two main forms: rental assistance and affordable housing development and management.
State	Commerce	Housing Trust Fund				Capital Development - Affordable housing for households at or below 50% of AMI. Homeownership for households at or below 80% AMI



State	WA State Housing Finance Commission	Low Income Housing Tax Credits				Allocation of credits to developers that develop affordable housing who can attract private equity in return for tax credits.
<b>Current State Affordable Housing Subtotal</b>			<b>\$ 1,400,000</b>	<b>\$ -</b>		
<b>Current Affordable Housing Funding Total</b>			<b>\$ 1,550,000</b>	<b>\$ -</b>		

Potential New or Increased Funding						Relationship of Money and Homelessness
Federal	Treasury	Pierce County American Rescue Plan		\$ 67,000,000		
Federal	Treasury	City of Tacoma American Rescue Plan Tranche 2		\$ 31,000,000		
Local	Pierce County	HB 1590 1/10 of 1 % sales tax				
State	State Dept. of Transportation	Encampment Abatement				
Local		Sound Transit				
Local	Pierce County	Available Land (All government entities) (Parks, Schools, Cities, Towns, Community Colleges, County, Churches, Utilities)				
Local		Hospitals (MultiCare, Franciscan, Kaiser Permanente)				
State	State	Washington Department of Veterans Affairs				
Federal		Supportive Services for Veteran Families				
State	State	Project for Assistance in Transition from Homelessness (PATH)				
Federal	Federal	Veterans Affairs Supportive Housing (VASH)				
Federal	PCHA and THA	Adjacent, VASH/NED Vouchers				



Local		Service Clubs (Kiwanis, Rotary, etc.)				
Local		Greater Tacoma Community Foundation				
Local		United Way				
Local		Other philanthropic, corporate and foundation giving				
Federal		Federal Recovery and Annual Budget allocations				
<b>Total Potential Funding</b>			<b>\$</b>	<b>-</b>	<b>\$ 98,000,000</b>	

## APPENDIX B – FUNDING AND RESOURCES

### INVENTORY OF MONEY AND LAND THAT THE COUNTY AND ITS CITIES PRESENTLY USE FOR HOMELESSNESS INITIATIVES

Appendix C lists sources of funding and land that Pierce County and its cities presently use for homelessness initiatives. These resources come from local governments, the state and the federal government.

### UNTAPPED SOURCES OF FUNDING AVAILABLE TO THE COUNTY AND ITS CITIES FOR HOMELESS INITIATIVES

Table 2 lists untapped sources of funding that are available to the County and its cities for homelessness initiatives. These include:

#### HOUSE BILL 1406 (CHAP. 82.14 RCW)(RETAINAGE OF STATE SALES TAX):

The state legislature enacted HB 1406 in 2019. It allows local taxing jurisdictions to retain a portion of the state's share of the sales tax generated in those jurisdictions and use that share for affordable housing purposes. These purposes include acquiring, rehabilitating, or constructing affordable housing; operations and maintenance of new affordable or supportive housing facilities; and, for smaller cities, rental assistance. The funding must be spent on projects that serve persons whose income is at or below sixty percent of the median income of the city imposing the tax. Cities can also use the anticipated income from their share of this tax to issue bonds to finance the authorized projects. The authority for counties and cities to do this expire in 2039. Other requirements of the bill include:

- Projects must serve those at or below 60% of the area median income of the city imposing the tax.
- Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services. In addition to investing in traditional subsidized housing projects, this





authority could potentially be used to provide for land acquisition, down payment assistance, and home repair so long as recipients meet the income guidelines.

- Funding the operations and maintenance costs of new units of affordable or supportive housing.
  - For cities with a population at or under 100,000, the funds can also be used for rental assistance to tenants.

#### HB 1590 (1/10<sup>TH</sup> OF 1% SALES TAX)

This bill allows counties and cities to impose a 1/10<sup>th</sup> of 1% sales tax for affordable housing purposes. Tacoma has done this. Pierce County has not.

#### BEHAVIORAL HEALTH TAX (RCW 82.14.460)

This state law allows local taking jurisdictions to impose a 1/10<sup>th</sup> of 1% sales tax to fund behavioral health services. This tax has a direct pertinence to homelessness services because of the prevalence of behavioral health problems among persons experiencing homelessness.

Pierce County and the City of Tacoma have exercised this authority:

Pierce County intends to use the income from this tax to fund a full range of innovative, effective, and culturally competent services, including:

- Community education
- Prevention and early intervention
- Outpatient and community-based services
- Crisis and inpatient services
- Services for justice-involved populations
- Housing supports for those with behavioral health needs

Funds will be allocated through an RFP process and will address the priority areas identified in the Behavioral Health Improvement Plan.

The City of Tacoma intends to use the income from this tax to fund services that include the following:

#### LEVERAGING

Below are some possible ways to use available funding to leverage still other funding and resources from other sources:



#### PAY FOR SUCCESS

This model of financing is sometimes called Social Impact Bonds. This model “shifts financial risk from a traditional funder—usually government—to a new investor, who provides up-front capital to scale an evidence-based social program to improve outcomes for a vulnerable population. If an independent evaluation shows that the program achieved agreed-upon outcomes, then the investment is repaid by the traditional funder. If not, the investor takes the loss.” (Urban Institute).

#### VALUE BASED REIMBURSEMENT (VBR).

Value Based Reimbursement contracts have the governmental entity pay only for services that meet the contract’s standard of quality or its designated outcomes. Rather than providing payment for each procedure, value-based services incentivize the quality of service over quantity. Outcome-based reimbursement is the goal, benefiting both the client and the provider. (This is not a fee for service model).

#### PRIVATE AND PHILANTHROPIC FUNDING.

Identify and partner with local entities and foundations to determine if any funding is going toward or prioritized for homelessness.

#### PARTNERSHIPS TO PURSUE

The County should identify partnerships that are worth pursuing – and what can be expected from each of them. Such partnerships might be available from entities whose mission would be strengthened by the alleviation of homelessness, especially among persons these organizations may already be serving but in ways that are not effective because of unaddressed homelessness. Such partnerships might provide not just funding but also provide land, use of land, or services. Possible partnerships include landowners, the Puyallup Tribe, churches, or social services. Include language needed for elected officials to initiate these partnerships.

- Inventory of faith-based organizations that may have space free.
- Churches willing to transfer property or commit use to homeless or housing.
- Tribal partnerships and collaboration.
- Partner with investors / sellers – what property might be available for sale.
- Businesses and other private owners that have land or use of land by donation or sale.
- Partnerships and resource sharing within local towns, parks, Public Schools, State Schools Community Colleges
- County – inquire, investigate potential land inventory throughout PC for utilization
- Cities - set parameters around what the identified need is:



- Properties inventoried - need certain usability and size and such.
- City of Tacoma has already established list.



## APPENDIX C – NET PUBLIC SAVINGS RESULTING FROM ADDRESSING HOMELESSNESS

Solving homelessness in Pierce County will require the investment of millions of dollars. Studies in other communities, including one in Seattle, show that money will be saved by offsetting the costs that homelessness inflicts in the direct services of shelter and indirectly on other civic systems.

These other civic systems include:

- emergency services
- medical services
- behavioral health services
- child welfare services
- courts and jails
- school systems
- lost tourism and local business revenue

The following table indicates estimated indirect costs per household based on a model created in Santa Clara and adapted with King County data. (Dilip Wagle, Senior Partner at McKinsey & Company provided chart numbers). Pierce County has contracted with EcoNorthwest to complete a similar analysis in January of 2022, so these indirect costs should be considered a placeholder until local data is available. These indirect costs are intentionally conservative estimates, and the real costs should be assumed to be higher.

Indirect Costs Per Household from Homelessness	
Adjacent System Costs	
Healthcare	\$ 8,191
Law Enforcement & Criminal Justice	\$ 5,146
Social Services	\$ 1,123
Public Service	\$ 142
Opportunity Costs	
Tourism	\$ 1,756
Local Business	\$ 2,539
Education	\$ 207
Poverty Trap	\$ 2,534
<b>12-month cost per household</b>	<b>\$ 21,638</b>
<b>1-month cost per household</b>	<b>\$ 1,803</b>

These indirect costs associated with homelessness can be used to model three scenarios where different levels of homeless services are provided:



- 1) No additional Homeless Services – where no direct funding is spent on either shelter or permanent housing interventions. People experiencing homelessness will need to live unsheltered and enter permanent housing with only the resources they can themselves muster.
- 2) Only Additional Shelter Services – where shelter is provided, but no permanent housing intervention is provided, again requiring households to establish permanent housing using only their own resources.
- 3) Both Additional Shelter and Permanent Housing Services – both shelter and permanent housing interventions are provided.

The costs associated with the three different levels of additional services above need to be calculated for the following three groups of people experiencing homelessness:

- 1) Transitional Homeless - Transitional homelessness is the most common type of homelessness. These households enter a shelter or temporary housing system for only one brief stay. For this model, all people experiencing transitional homelessness will be served with the Diversion intervention.
- 2) Episodic Homelessness – Households that have experienced three or more homeless episodes in the past year, but do not meet the criteria for chronic homelessness. For this model, all people experiencing episodic homelessness will be served with the Rapid Rehousing intervention.
- 3) Chronically Homeless - Chronic homelessness is used to describe people who have experienced homelessness for at least a year — or repeatedly — while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability. Chronically homeless households will be served with Permanent Supportive Housing in this model

The table below shows both individual household costs and total system costs for the different levels of homeless services for clients entering the homeless system over the span of a year. It does not include costs associated with the 3,300 people currently experiencing homelessness in Pierce County or those already being served by current homeless system interventions.



Each of these scenarios has direct homeless system costs and indirect adjacent system costs (from the Indirect Costs per Household of Homelessness table above)

Costs with no additional homeless services									
Population	Annual Months Homeless	Shelter Costs	Intervention Costs	Indirect Costs	Household Cost	Annual Unserved Household Count	Additional Homeless System Costs	Additional Indirect System Costs	Additional Community Cost
Transitional Homeless	5	-	-	9,016	9,016	1,794	-	16,174,435	16,174,435
Episodic Homelessness	5	-	-	9,016	9,016	1,943	-	17,517,797	17,517,797
Chronic Homelessness	12	-	-	21,638	21,638	367	-	7,941,161	7,941,161
Total Annual System cost with no homeless services							-	41,633,392	41,633,392
Costs with only additional shelter services									
Population	Annual Months Homeless	Shelter Costs	Intervention Costs	Indirect Costs	Household Cost	Annual Unserved Household Count	Additional Homeless System Costs	Additional Indirect System Costs	Additional Community Cost
Transitional Homeless	5	8,400	-	9,016	17,416	1,794	15,069,600	16,174,435	31,244,035
Episodic Homelessness	5	8,400	-	9,016	17,416	1,502	12,616,800	13,541,807	26,158,607
Chronic Homelessness	12	#####	-	21,638	41,798	367	7,398,720	7,941,161	15,339,881
Total Annual System cost with only shelter services							35,085,120	37,657,402	72,742,522
Costs with both shelter services and permanent housing services									
Population	Annual Months Homeless	Shelter Costs	Intervention Cost	Indirect Costs	Household Cost	Annual Unserved Household Count	Additional Homeless System Costs	Additional Indirect System Costs	Additional Community Cost
Transitional Homeless	2	3,360	1,200	3,606	8,166	1,794	8,180,640	6,469,774	14,650,414
Episodic Homelessness	2	3,360	8,000	3,606	14,966	1,502	17,062,720	5,416,723	22,479,443
Chronic Homelessness	2	3,360	22,000	3,606	28,966	367	9,307,120	1,323,527	10,630,647
Total Annual System cost with shelter and permanent housing services							34,550,480	13,210,023	47,760,503



At a total cost of \$40M per year, providing no homeless services is the lowest financial cost to the community. However, the impact on those experiencing homelessness and the neighborhoods they would live in is substantial. Providing both shelter services and permanent housing creates a \$48M cost to the community – just \$8M more cost to the community above providing no services at all. Spending \$48M on homeless services creates a \$28M savings in indirect costs. The shelter expansion only model has none of the shortened homelessness duration savings in the indirect system and an additional cost for operating the shelters, so has the highest costs of the three options at \$72M per year.

The above calculation shows the costs and potential cost offsets of immediately providing services when households become homeless; the calculation does include the population living long term homeless in the community. Using the same monthly cost of homelessness used in the above calculation, when functional zero is reached, \$48M is estimated to be saved in adjacent systems.

It is important to note that this modeling oversimplifies a complex system. For instance, shelter stays could shorten the duration of homelessness and could reduce adjacent system costs. And indirect system costs could occur well after the end of a homeless episode. But this model is informative about potential costs and cost offsets around different intervention and approaches to funding homeless services. These numbers are not the total costs needed for the homeless system – refer to Appendix K for information on the size increase needed in each intervention to reach functional zero.

In addition, Pierce County has contracted with EcoNorthwest to complete a similar analysis in January of 2022, so this cost offset should be considered a placeholder until their analysis is complete.



## APPENDIX D – GLOSSARY OF TERMS

### ADJACENT SYSTEM

Systems such as health care and the workforce development that provide services to people experiencing homelessness but are not part of the homeless crisis response system.

### AFFORDABLE HOUSING

Housing that a household can obtain for 30 percent or less of its income.

### ADJACENT SYSTEMS

Adjacent systems are those that serve or interact with people experiencing homelessness or at risk of homelessness but are not part of the formal homeless system. Examples include the healthcare system, law enforcement, and the behavioral health system.

### AREA MEDIAN INCOME

The area median income is the midpoint of a region's income distribution, meaning that half of households in a region earn more than the median and half earn less than the median. A household's income is calculated by its gross income, which is the total income received before taxes and other payroll deductions.

### AT RISK OF HOMELESSNESS

A formal Housing and Urban Development definition. It is a household that is below 30 percent of the median area income, has insufficient resources to maintain housing, and meets one of 7 criteria for housing instability.

### BEHAVIORAL HEALTH

A grouping together of mental health services and substance use services.

### BUILT FOR ZERO

A methodology to end homelessness that relies heavily on data to monitor efforts and inform efforts to reach end homelessness by reaching functional zero.

### BY-NAME LIST

A by-name list is a real time, up-to-date list of all people experiencing homelessness in your community that can be filtered by categories and shared across appropriate agencies. This list is generated with data from outreach, HMIS, federal partners, and any other community shelter and providers working within the homeless population.

### CHRONICALLY HOMELESS

Chronic homelessness is used to describe people who have experienced homelessness for at least a year — or repeatedly — while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability.

### CLEAN AND SOBER HOUSING

A model of housing that typically does not permit substance use on or off site. Urine analysis can be employed to monitor compliance. This model is often necessary for individuals exiting residential



substance use treatment facilities to maintain sobriety. Also referred to as drug and alcohol free housing - [RCW 59.18.550](#).

#### COORDINATED ENTRY SYSTEM

A coordinated entry system standardizes and coordinates the way households experiencing homelessness across the community are assessed for and referred to the housing and services that they need for housing stability.

#### CRITICAL TIME INTERVENTION

A program providing case managers to assist clients to navigate both the homeless system and other systems, such as employment child care, transportation, and behavioral health.

#### DIVERSION

Diversion is a strategy intending to divert households from the Homeless Crisis Response System. It does so by helping them, through a Housing Solutions Conversation (see below), identify immediate alternate housing arrangements, and if necessary, connect with services and financial assistance to help them return to permanent housing. Diversion is implemented within the coordinated entry system

#### EPISODIC HOMELESSNESS

Households that have experienced three or more homeless episodes in the past year, but do not meet the criteria for chronic homelessness.

#### FUNCTIONAL ZERO

A state where any person starting a new homeless episode has immediate access to shelter and a permanent housing intervention

#### HARM REDUCTION

A model of housing that does not set rules for substance use on or off site, as long as usage does not endanger others. The model offers opportunities for residents to enter treatment.

#### HOMELESS CRISIS RESPONSE SYSTEM

The programs that support household from the start of a homeless episode through entering permanent housing. It includes navigation services, shelter and permanent housing programs.

#### HOMELESS MANAGEMENT INFORMATION SYSTEM

An information system designated by the Continuum of Care Committee to comply with requirements prescribed by HUD. This system stores client information about persons who access homeless services in a Continuum of Care and is a core source of data on the population of people experiencing homelessness who engage with Coordinated Entry.

#### HOPE SCALE SURVEY

Hope is defined as the perceived capability to derive pathways to desired goals and motivate oneself via agency thinking to use those pathways. Higher hope consistently is related to better outcomes. The hope scale measures that hope to better understand how able people are to meet their goals. Hope can rise, and better outcomes are possible in programs that are able to create more hope in enrollees.



#### HOUSEHOLD

Household means all persons occupying or intending to occupy a housing unit. The occupants may be a family, two or more families living together, or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.

#### HOUSING AND ESSENTIAL NEEDS

This State funded referral program provides access to essential needs items and potential rental assistance for low-income individuals who are unable to work for at least 90 days due to a physical and/or mental incapacity.

#### HOUSING SOLUTIONS CONVERSATION

This short-term problem-solving technique, the core tactic for Diversion (see above), meets a housing crisis head on with the creativity and resources of the person experiencing the crisis. By helping them to leverage their natural resources—such as their family, friends, or faith communities—people can find no-cost or low-cost housing solutions at a critical moment. Once the issues are identified, their own solution can sometimes be paired with short-term rental assistance, a one-time bill payment, or help finding a job or addressing health and safety needs, providing support to help them maintain their current housing.

#### INTERVENTION

Intervention is a general term to describe any type of program that works to meet the needs of households experiencing housing instability or living homelessness. Interventions can range from rent assistance to temporary shelter programs to long-term permanent supportive housing.

#### LITERALLY HOMELESS

A person who is literally homeless does not have a fixed nighttime residence and instead might sleep overnight in a temporary shelter or place not meant for human habitation.

#### McKINNEY-VENTO HOMELESS ASSISTANCE ACT

The federal McKinney-Vento Act more broadly defines homelessness in an effort to provide protections and supports for students living in a variety of unstable housing situations: Homeless students are defined as those who lack “a fixed, regular, and adequate nighttime residence,” and includes those that who are living in doubled up situations.

#### MEDICAL RESPITE

A shelter model providing additional medical support to medically fragile clients.

#### OPPORTUNITY COST

Opportunity costs represent the potential benefits misses out on when choosing one alternative over another. Allowing homelessness can prevent education to someone experiencing homelessness or prevent tourism in an area with visible homelessness. Those lost opportunities can be quantified.



#### OTHER PERMANENT HOUSING

An intervention similar to Permanent Supportive Housing, Other Permanent Housing provides priority housing to people experiencing homelessness, and may or may not include case management.

#### PERMANENT SUPPORTIVE HOUSING

Permanent Supportive Housing is long-term housing that provides supportive services for low income or homeless people with disabling conditions. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting. Supportive services may be provided by the organization managing the housing or coordinated by the housing provider and provided by other public or private service agencies.

#### POINT IN TIME COUNT

The annual count of sheltered and unsheltered homeless persons on a single night, which is conducted in Pierce County in January. For additional details, see Appendix I.

#### POVERTY TRAP

A poverty trap is a mechanism that makes it very difficult for people to escape poverty. A poverty trap is created when an economic system requires a significant amount of capital in order to earn enough to escape poverty. When individuals lack this capital, they may also find it difficult to acquire it, creating a self-reinforcing cycle of poverty. A failure of households to escape poverty can be quantified as an opportunity cost.

#### RAPID REHOUSING

Services and supports designed to help persons experiencing homelessness move as quickly as possible into permanent housing with time-limited financial assistance.

#### SAFE ENCAMPMENT

A shelter model where clients stay in tents in an encampment setting with hygiene facilities. Staffing can range from self-management models to 24x7 staffing with security and case management.

#### SAFE PARKING

A shelter model where clients stay in their cars in a parking lot setting with hygiene facilities. Clients typically only stay during the night, but some sites run 24x7. Sites are typically self-managed with some case management.

#### SHELTER

Shelter includes any facility with the primary purpose of providing temporary shelter for all people experiencing homelessness or specific populations.

#### SHELTER GENERALIST

A staffing role providing a variety of operational supports at a site, often including security, site cleanup, client interactions, and coordinating meals.

#### STEP DOWN SERVICES

A model of support to assist clients as they exit institutional settings.





#### TARGETED UNIVERSALISM

A framework to pursue a shared goal with strategies designed for the unique needs of different groups.

#### TRANSITIONAL HOMELESSNESS

Transitional homelessness is the most common type of homelessness. These households enter a shelter or temporary housing system for only one brief stay. This situation could be the result of a catastrophic event or sudden life change.

#### TRANSITIONAL HOUSING

Temporary housing and supportive services for up to 24 months that serves households before transitioning into permanent housing.



## APPENDIX E – INTERVENTION TYPES

There are a variety of interventions available to address the needs of people experiencing homelessness. These include

- Rapid Rehousing (RRH)
- Housing and Essential Needs (HEN)
- Diversion
- Coordinated Entry (CE)
- Permanent Supportive Housing (PSH)
- Other Permanent Housing (OPH)
- Navigation, including Critical Time Intervention (CTI)
- Street Outreach (SO)
- Emergency Shelter (ES)
  - Safe parking
  - Safe encampments
  - Tiny house and pallet shelter-based shelter
  - Owned or leased hotel-based shelter
  - Congregate shelter
  - Domestic Violence Shelter
- Housing Vouchers
- Shared Housing



## APPENDIX F – BIBLIOGRAPHY

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## APPENDIX G – GROUPS ACTIVE IN AFFORDABLE HOUSING

Group Name	Description	Current Plans	Status
<a href="#">Tacoma-Pierce County Affordable Housing Consortium</a>	Nonprofit serving members by providing capacity development, education and advocacy for affordable housing.	Advocacy agendas are created annually – an example is the <a href="#">2021 State Budget Advocacy guide</a>	Active
<a href="#">City of Tacoma Affordable Housing Action Strategy</a>	A plan with 4 strategic objectives to direct housing investment to increase housing affordability.	Implementing the <a href="#">Affordable Housing Action Strategy</a> created in September of 2018. The <a href="#">Home in Tacoma</a> effort is a product of this work.	Active
<a href="#">South Sound Housing Affordability Partners</a>	Local government collaboration to develop additional housing units, including affordable housing units	No documented plans, but useful research, such as the <a href="#">List of Affordable Housing funding sources</a> and the <a href="#">Inventory of Public Land</a>	Established governance, working on adoption by partners and hiring staff.
<a href="#">Tacoma Pierce County Homeless Coalition – Housing Committee</a>	Group within the Coalition working on the housing options for 0-30% AMI.	-	Active
Tacoma Pierce County Chamber – Housing Committee	Joint group with the Tacoma Pierce County Homeless Coalition to increase shelter and housing	-	Nearly launched
<a href="#">Puget Sound Regional Council: Puget Sound regional housing needs assessment and strategies</a>	A “playbook” of local actions to preserve, improve and expand housing stock in the region.	<a href="#">Draft Regional Housing Strategy</a>	Strategy is being finalized
<a href="#">Pierce County Affordable Housing Workgroup</a>	local housing providers, lenders, builders, realtors, advocates, designers, academics, and transit agencies advising County Departments and the County Council on housing affordability strategies.	Draft in development – available soon.	Active – draft going to County Council on 8/31/2021.
Pierce County Affordable Housing Action Strategy	Countywide action strategy for affordable housing	-	Hiring consultant – work will begin in Fall 2021.
<a href="#">Bonney Lake-Sumner Housing Action Plan</a>	Create plan with clear, actionable strategies to meet current and future housing needs.	<a href="#">Housing Action Plan</a>	Plan adopted
<a href="#">City of Puyallup Housing Action Plan</a>	Plan to support affordable housing options for all community members	<a href="#">Draft Housing Puyallup – A Citywide Action Plan</a>	Plan forwarded on June 30 <sup>th</sup> 2021 to Council for approval.
<a href="#">University Place Housing Action Plan</a>	A toolkit to encourage construction of additional affordable and market rate housing.	<a href="#">Housing Action Toolkit</a>	Adopted on June 21 <sup>st</sup> , 2021
Revenue for Housing	Network of the faith community, groups and individuals encouraging	-	Active



	Pierce County to take a regional approach to homelessness, with a focus on adoption of the 0.1% sales tax for affordable housing.		
University of Washington Tacoma – School of Urban Studies	Providing research and analytics around housing	<a href="#">The State of Affordable Housing in Pierce County</a>	Completed in June of 2020
Tacoma Housing Authority	The country's largest developer of affordable housing		
Pierce County Housing Authority	A major provider of affordable housing, serves over 5,100 households annually.		
Puyallup Tribal Housing Authority	Develop and manage safe, sustainable, healthy and affordable housing for Native American families in the Puyallup Tribal service area.		



## APPENDIX H – HOMELESSNESS PLANS AND WORKGROUPS

Plan Title	Description	Organization Creating	Status
<a href="#">2021 Comprehensive Plan to End Homelessness</a> , including the sub plan to address Street Homelessness	This plan will outline steps, participants, timelines, process and resource needs to end homelessness in Pierce County	Pierce County Human Services was charged by the County Council to create the plan per Resolution 2021-82	In development – final Comprehensive plan due to Council on December 7 <sup>th</sup> , but the shelter plan will be completed earlier.
<a href="#">Five-Year Plan To Address Homelessness</a>	A five-year goals and strategies plan to address homelessness across the county, including goals targeting specific populations and looking to improve system effectiveness	Tacoma/Lakewood/Pierce County Continuum of Care Oversight Committee.	Adopted in December of 2019, the plan is being implemented by Subcommittees of the Continuum of Care.
<a href="#">Pierce County Five-Year Plan to Address Homelessness</a>	A State required plan that focuses on housing and the supports to maintain housing with priority areas focused on improving the operation of the homeless system	Pierce County Human Services	Adopted in December of 2019
City of Tacoma Five-Year Homeless Strategy	A City of Tacoma focused plan to align homeless programming with a set of values, especially around equity	City of Tacoma Neighborhood and Community Services	In development
<a href="#">Ending Veteran Homelessness Exploratory Task Force</a>	Create a plan to end veteran homelessness using the functional zero model.	Pierce County Council	On hold since February 2020.



## APPENDIX I – POINT IN TIME COUNT

The Point in Time Count is an annual assessment of how many people are currently experiencing homelessness in Pierce County. In communities with large numbers of people experiencing unsheltered homelessness, such as Pierce County, the Point in Time count is always a dramatic undercount.

In January of each year, homeless providers and volunteers canvas known encampments and site where people experiencing homelessness frequent to count and collect information on each person experiencing homelessness. A count of individuals living in shelters is also conducted. The challenges to an accurate count include the following:

- Unknown encampments
- Encampments too dangerous to safely enter
- People not wishing to be counted
- People living in cars are very challenging to identify
- Differing numbers of volunteers from year to year
- Weather impacts both the activities of people experiencing homelessness and the people conducting the count

Useful data is collected during the Point in Time count and provides an additional data source for understanding the characteristics of who is homeless. However, the count should always be understood as an undercount and homeless population estimates from the Homeless Management Information System should be considered the count of record.



## APPENDIX J – ADJACENT SYSTEMS

Adjacent systems are those that serve people experiencing homelessness or at risk of homelessness but are not part of the formal homeless system. Those adjacent systems include:

- Education System
- Non-institutional elements of the criminal and juvenile justice systems
- Civil Legal Aid
- Social Services System
- Military/Veterans System
- Domestic Violence Supports
- Child Care systems
- Faith-based (localized) resources
- Workforce Development
- Clean and Sober and Harm Reduction housing, including shelter, transitional housing, and permanent housing
- Transportation to and from inpatient and outpatient services
- Voluntary and Involuntary Inpatient Mental Health Treatment
- Withdrawal Management (Detox) and Residential Substance Use Disorder (SUD) Treatment.
- Navigators to assist clients to connect with behavioral health services
- Outpatient mental health treatment
- Step down services – supports for clients as they exit institutional settings
- The foster care system
- Incarceration in the jail or prison systems
- Medical services
- Eye care services
- Denture services



## APPENDIX K – CURRENT HOMELESS SYSTEM COSTS AND UNMET NEED

Homeless system funding needs are complex to model. Program outcomes are dependent on a variety of variables. The assumptions are subject to modification as better information becomes available and should be considered estimates that will change as factors change. In addition, Pierce County has contracted with EcoNorthwest to complete a similar analysis in January of 2022, so this gap analysis should be considered a placeholder until their analysis is complete.

### Assumptions:

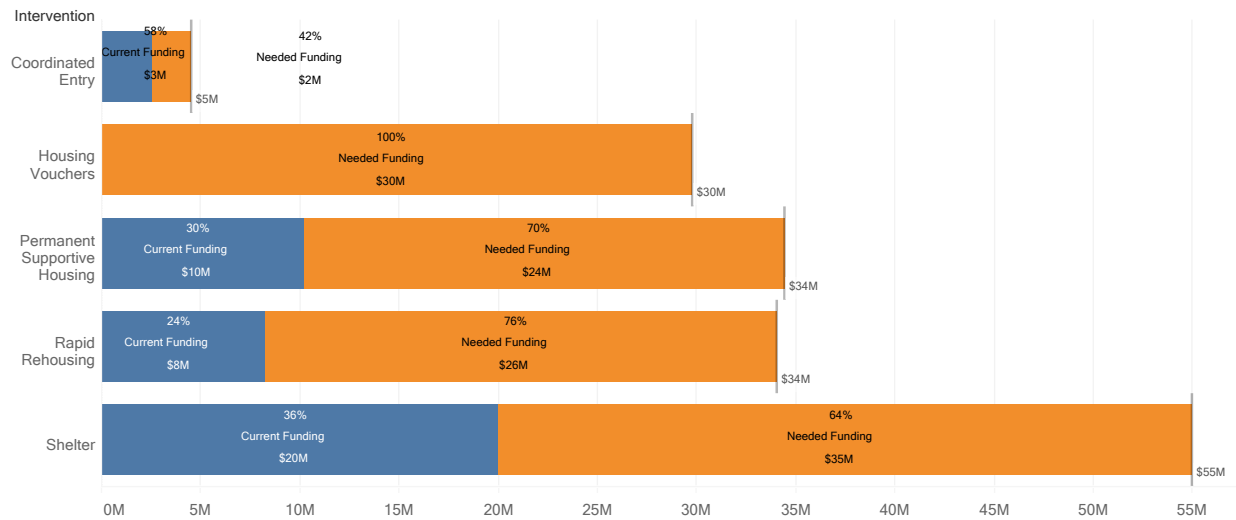
- For the inflow of new clients to the homeless system, the expected intervention needs are:
  - 25% will self-resolve
  - 20% will be housed through Diversion
  - 35% will be housed through Rapid Rehousing
  - 15% will be housed with a housing voucher
  - 5% will need Permanent Supportive Housing
- For clients currently homeless, the expected intervention needs are:
  - 25% will self-resolve
  - 5% will be housed through Diversion
  - 20% will be housed through Rapid Rehousing
  - 25% will be housed with a housing voucher
  - 25% will need Permanent Supportive Housing
- The Permanent Supportive Housing stock will continue to increase by 240 units per year
- 1,000 new housing vouchers will be available to people experiencing homelessness each year
- The housing market will have enough tenant-based rental units willing to rent to people with a history of homelessness
- The number of enrollments available across the spectrum of interventions is designed with the typical needs of people entering the homeless system
- The system is sized to house the expected inflow each year as well as 1/5 of the number of people current experiencing homelessness so that after 5 years the community will be at functional zero.
- Program costs will be much higher at year five, because both Permanent Supportive Housing and Housing Vouchers require perpetual funding.
- The monthly inflow of clients to the homeless system is 900 households
- Homeless Prevention is not included in this model and will reduce the number of needed interventions.
- Intervention costs
  - Rapid Rehousing: \$8,000 per intervention
  - Diversion: \$1,500 per intervention
  - Permanent Supportive Housing: \$22,000 per year
  - Housing Vouchers: \$12,000 per year



- Since costs for Permanent Supportive Housing and Housing Vouchers will increase each year as the stock of housing and vouchers increases, costs are averaged over a five-year period.

Using those assumptions, the chart below shows the current annual funding and the needed average annual funding to reach functional zero in five years, broken down by type of intervention.

#### Current and Needed Annual Operations Funding



This is an increase of \$117M in addition to the current \$40M homeless system. It does not include estimates for capital needed for new shelter and Permanent Supportive Housing construction or acquisition. Capital costs for shelter could be around \$15M, depending on the type of shelter. The cost to construct the planned 1,800 units of Permanent Supportive Housing could range between \$100M and \$400M, depending on the type of housing and the mix of project versus tenant-based housing.



# Adequate Shelter for All Plan

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## CHARGE FROM PIERCE COUNTY COUNCIL

On March 23, 2021, the Pierce County Council adopted resolution [R2021-30s](#). This resolution created the Comprehensive Plan to End Homelessness Ad Hoc Committee. The Ad Hoc Committee's work concluded on April 24<sup>th</sup> with the presentation and acceptance of the [Action Plan](#). The Action Plan created a Steering Committee to oversee creation of a Comprehensive Plan to End Homelessness by September 24, 2021, and a Shelter Plan Work Group to create and implement a plan to create adequate shelter for all by November 1, 2021.

The Action Plan recommended a process to build the shelter plan:

1. Determine the approximate number of people who are unsheltered in Pierce County.
2. Identify interventions to divert or exit clients from the streets or shelter to permanent housing.
3. Include all types of shelters and other interventions we should consider developing or increasing in order to adequately shelter all.
4. Identify other expanded services for people who are sheltered and may need additional immediate services beyond a place to sleep, such as out-patient behavioral health treatment, transportation to/from work, and storage for belongings.
5. Determine approximate volume of our unsheltered homeless population who will access each type of intervention listed above and determine targeted per unit costs for each.
6. Build a proposed budget based on analysis, and present to County and municipal elected officials for funding and site locations.
7. Once funding is identified and approved, work with providers on plans to expand services and create the new shelter options listed in the plan.

## NUMBER OF PEOPLE EXPERIENCING UNSHELTERED HOMELESSNESS

Using June 1, 2021 data from the Homeless Information Management System (HMIS) and information from the 2020 Point in Time Count, it is estimated that 3,300 people are currently experiencing homelessness in Pierce County. Of those, 998 are currently sleeping in shelters or transitional housing and 15 are living at safe parking sites. That leaves 2,287 living unsheltered.

	Clients	Households
Currently Experiencing Homelessness	3,300	1,992
Current Year-Round Shelter Beds	998	680
Current Safe Parking Spots	15	15
<b>Remaining Shelter Need</b>	<b>2,287</b>	<b>1,297</b>

For additional details on the approach to estimating homelessness, see Appendix A.

## SHELTER GUIDING PRINCIPLES

In developing the Adequate Shelter for All Plan, the Shelter Plan Work Group identified a set of shelter principles to best serve people experiencing homelessness.



- 1) Shelters should minimize rules and entry requirements so that shelter is acceptable to the widest range of guests while still ensuring a safe site for both guests and staff.
- 2) In order to best meet their needs and preferences as well as support their efforts to establish permanent housing, shelter guests may request a transfer to a different shelter site.
- 3) Shelter stays are dependent on guests following shelter rules.
- 4) With support from case managers, shelter guests should work on goals - appropriate to each client's needs and current capacity - to enter permanent housing.
- 5) A Coordinated Entry conversation, the starting point for reestablishing permanent housing, should occur at shelter entry.
- 6) Cost effective solutions, including larger shelters that benefit from an economy of scale, should be prioritized.

## PERMANENT HOUSING INTERVENTIONS

As part of the [“Built for Zero”](#) model, shelter should be immediately available to any household experiencing homelessness. However, shelter is a temporary solution; permanent housing remains the goal. The Coordinated Entry system is the entry point for the full range of permanent housing options available in Pierce County. Connecting guests with a Coordinated Entry system rooted in racial equity at the earliest possible point in their shelter stay should be prioritized in order to increase permanent housing exits and reduce the duration of shelter stays.

People experiencing homelessness need both shelter and a permanent housing program. Limited resources need to be balanced between shelter programs that keep people safe with those interventions that focus on permanent housing outcomes.

## COORDINATION WITH OUTREACH WORKERS

As shelters become active, it will be important to keep outreach workers apprised of new options. Hesitancy to shelter entry can partially be addressed by providing information on shelters to outreach workers who in turn will inform those living unsheltered about the available options.

## PARTNERSHIP BETWEEN JURISDICTIONS

Providing shelter services to people experiencing homelessness will require the expertise and resources of all the jurisdictions in Pierce County. Creating enough shelters in the most appropriate locations will require significant coordination. Different funders, shelter sites, provider agencies, community groups and government agencies will need to pool resources to ensure enough shelter is available where people need it.

## RECOMMENDED MINIMUM SHELTER REQUIREMENTS

The Shelter Plan Work Group identified minimum requirements each shelter should attempt to comply with. These minimum requirements ensure a safe site and adequate support to speed exit to permanent housing. Shelters may be funded with fewer services than these minimum requirements with the understanding that there may be fewer exits to permanent housing.



## **Security**

Each shelter should have trained security onsite when the shelter is operating. When possible, site security should be integrated into the roles of site staff, as they are more effective than hiring outside security contractors. Security training should include verbal de-escalation. Shelter budgets should include security training.

## **Hygiene**

Basic hygiene services are a necessity in any shelter location. Shelters shall provide toilets, sinks and garbage pickup adequate to service the site population. Shelter budgets shall include toilet, sink and garbage collections costs. Shelter entrances shall provide either a sink for hand washing or sanitizer. Where possible, shelters should provide laundry and showers on site. If a shelter is not able to accommodate these services, budget for shelter should include transportation to facilities providing those services.

## **General Case Management**

Shelters should offer case management, not to exceed a case load of 1 case manager for every 20 households. Client participation in case management should be optional but can be required. Case management can be provided by the shelter operator or contracted through another agency. Shelters should stagger case management work hours to provide services outside the typical 8am-5pm work schedule.

## **Behavioral Health Services**

Shelters should offer behavioral Health services not to exceed 1 staff for every 20 clients opting to engage in behavioral health services. Case management can be provided by the shelter operator, contracted through another agency or through a partnership with a behavioral health provider. Shelters should schedule staff to provide services outside the typical 8am-5pm work schedule.

## **Food Service**

All shelters should provide breakfast and dinner on site. 24-hour shelters should provide lunch.

## **Clothing**

Shelters should provide access to a clothing bank.

## **Sleeping Area**

Shelters should provide an assigned place to sleep, which can include a tent, tiny house, apartment, hotel room, or shared dormitory space. For safe parking sites, it may also include a vehicle.

## **Data Tracking**

Shelters shall record client shelter stay information in the Homeless Management Information System. They should also track current bed availability and record any client bans in the central shelter information system.



## **Possessions**

Shelters shall provide secure and reasonably sized on-site storage for guest belongings. Access to centralized possession storage should be provided for clients with belongings in excess of the storage capacity of shelter site.

## **Pets**

Shelters should allow pets wherever possible. While not all shelters must accept pets, enough shelter options must be available so that pet ownership is not a barrier to accessing shelter.

## **RECOMMENDED SHELTER SYSTEM SERVICES**

For shelters to optimally serve people experiencing homelessness, the Shelter Plan Work Group identified the following centrally coordinated services that will improve the effectiveness of the shelter system.

### **Access Hub**

Some shelters will act as Access Hubs to the shelter system. Access Hubs will operate 24x7. During normal work hours, clients will have access to Coordinated Entry and open shelter beds across the shelter system. Outside of normal work hours, Access Hubs will provide cots for guests stays until an appropriate and acceptable shelter bed can be coordinated. Access Hubs will allow walkups and be designed to allow hospitals, police, fire and social service agencies to transfer clients to the site 24x7. Access Hubs will work with shelters to keep the shelter availability database up-to-date with current capacity and unit availability.

### **Shelter to Shelter Transportation**

Transportation will be available during specified hours to and from every shelter, either on a deviated fixed route or on demand. This transportation can be used to move from shelter to shelter as well as to medical and behavioral health care.

### **Centralized possession storage**

A central storage location with pickup and drop off transportation will allow possessions in excess of what a shelter can store to be secured during a shelter stay.

### **Case Conferencing Technology Platform**

Case managers across different agencies need to discuss care plans for clients that are using services in a variety of locations. This sensitive guest information needs to be communicated quickly in a secure environment. Deployment of a platform would improve guest outcomes.

### **Enhanced Connections to Behavioral Health**

Behavioral Health challenges prevent many clients from entering permanent housing. Immediate access to adequate outpatient and inpatient substance use disorder services, mental health treatment, and co-occurring disorder treatment must be available.



## SURVEY OF PEOPLE EXPERIENCING HOMELESSNESS

At the request of the work group, County staff developed a survey to determine specific shelter needs and preferences of people experiencing homelessness, particularly from those who are currently unsheltered. We received 100 survey responses from August 1, 2021 to August 26, 2021. Most of the survey respondents were currently living in Tacoma, with ages ranging from 18 to 73. Approximately half had over 1 year of time being homeless. Other notable findings include:

- Around 40% use shelters in the winter to escape the cold, while nearly 30% use shelters year-round.
- The most important criteria in selecting a shelter are location, followed by cleanliness, reputation, and ease of entry.
- The top reasons shelters were liked was because of location, safety, ease of getting to, and storage for things on site.
- The top ways shelters can be improved is with toilets and showers on site, food and transportation, and longer daytime hours.
- Nearly 50% identified shelters as needing 24-hour security, while 30% identified the need for case management staff. Only 20% preferred a self-managed model.

Based on these responses, shelters need to be carefully located to ensure they meet the needs of potential residents. In addition, most sites should include 24-hour security.

## COMMUNITY ENGAGEMENT

Community engagement is key to fully understanding the needs of people experiencing homelessness, as well as of the communities impacted homelessness. An extensive outreach to the community via an on-line open house has received over 1,500 survey responses from August 17, 2021 through September 15, 2021. Responses were from community members across Pierce County, with over half having personal or family members experiencing homelessness. Tiny Homes were identified as a preferred shelter model, with Tacoma, Parkland/Spanaway and Lakewood identified as location additional shelter space is needed. Behavioral health funding was identified as the highest priority for Investments in the homeless system. Feedback is also being collected through community presentations.

## SHELTER MODEL RECOMMENDATION

The work group recommends five primary shelter models:

- 1) Safe Parking – accommodations are provided in the vehicles people own, including cars, trucks, vans, and RVs. Safe parking sites can be any size, but with site populations under 10 vehicles, on-site shelter generalist support should be available 24x7, but not necessarily on site. All other minimum shelter requirements must be filled.
- 2) Safe Encampments – accommodations are provided in tents provided by clients or by the agency. Because they do not offer adequate year-round protection, all safe encampments should be time limited to 9 months with a plan to either evolve to a tiny house village, a shelter with more durable accommodations, or plan for transition of residents to other accommodations at the end of their duration. Safe encampments can be any size, but minimum shelter requirements must be filled.



- 3) Congregate Shelter – accommodations are provided in shared sleeping bays. Bathrooms are available on-site.
- 4) Tiny House Villages – accommodations are provided in pallet shelters or tiny houses. Tiny houses can range from plumbed homes to simple structures with no electrical or plumbing. Tiny house villages can be any size, but minimum shelter requirements must be filled.
- 5) Hotel-based – accommodations are provided in rented or purchased hotels rooms, apartments, houses, or other sites with private rooms. Hotel-based sites can be any size, but minimum shelter requirements must be filled.

The work group recommends expanding two additional models for special populations:

- 1) Medical Respite – shelter for individuals with medical conditions significant enough to require on-site medical care, but not so significant as to require hospitalization. This will require additional capital costs to ensure rooms and lavatories are wheelchair accessible and there are appropriate medical facilities onsite. Operational costs will be higher than traditional shelter due to medical staff on site.
- 2) Young Adult Shelter – shelter for young adults needs to be designed especially for this population, preferably in a shared house with 5 or fewer residents. Young adults need stable housing and connections to caring adults. Smaller sites will provide a safer, more home like environment that will speed family reunification or other permanent housing.

## Shelter Sizing Considerations

When developing a shelter, funders and providers should consider the following four factors:

- 1) Guest safety – smaller shelters often feel safer for guests.
- 2) Community acceptance – housed community members are resistant to having shelters sited in their neighborhood, and smaller shelters are typically considered more acceptable than larger shelters. Conversely, the challenge in siting a shelter may necessitate larger shelters to accommodate the lack of acceptable sites.
- 3) Economies of scale – for most shelter models, the larger a shelter, the more cost efficiencies are possible and the lower the overall cost per bed night.
- 4) Specific population needs – smaller shelters can better meet the individual needs of clients. Some clients need a clean and sober shelter, some need a harm reduction model. Some clients need shelter free from pets, others want pets to be allowed. Some shelters need to accommodate families with children, some shelters need to accommodate sex offenders who cannot live near children. A larger number of smaller shelters allow greater specialization to meet the unique needs present in the community of people experiencing homelessness.

## Shelter Location Considerations

When locating shelters across the county, officials and providers should consider the following:

- 1) Community acceptance – significant neighborhood resistance to a shelter can make a location unviable.
- 2) Proximity to transportation – walking distance to a bus line is an important consideration for a shelter.



- 3) Proximity to support networks – people are most successful exiting homelessness when they have a social support structure able to aid in their transition. Siting shelter in communities where people first become homeless will reduce the duration of homelessness.
- 4) Proximity to schools and employment – transportation from a shelter to school or work is a significant challenge. Shelter options should be available near a client’s existing employment and schools.

## **Recommended Shelter Expansion**

Using Data from the Homeless Management Information System, the following combination of shelters will provide the mix of locations, models, and sizes to ensure shelter is acceptable to the community and to people experiencing homelessness. See appendix A for details on the methodology used to arrive at location, target households and unit counts.

The recommended shelter locations attempt to site shelters near the last permanent residence identified by households when they start an episode of homelessness. The quantity of beds and target households for shelters in those communities correlates the number and types of households starting homeless episodes in the community.

Some sites will be harm reduction models allowing substance use by residents. Some will be clean and sober sites requiring abstinence. This recommended shelter expansion plan is one way to meet the need. Actual models will be determined by funders, current shelter availability in different models, the provider, and the community where the shelter will be located.

Hotel-based shelter models are desirable in smaller communities where the smaller scale of need can potentially be more cost-effectively met using hotel rooms across a number of sites as opposed to developing a series of small shelters.

As described above, the intention is for all safe encampments and safe parking sites to evolve within 9 months to a more permanent model, either with the addition of tiny to replace tents at that site, or by moving the safe encampment shelter program to a different tiny house site or other site with a more durable shelter model.

While this recommended shelter expansion plan identifies separate sites for different shelter models and household types, this in no way precludes larger or smaller sites, or sites that utilize multiple models or serve multiple household types.



### Shelter Location Need

The table below lists the need for additional shelter beds near where households were last permanently housed. Other factors, such as site availability or program cost will determine site model and location; larger sites, different locations, or different models may be implemented.

Shelter Location	Household	Model	Units	Beds	Evolve to
Lakewood	Adult	Congregate Shelter	45	50	
Lakewood	Adults/Family	Congregate Shelter	50	130	
Puyallup	Adult	Congregate Shelter	45	50	
Tacoma	Adult	Congregate Shelter	90	100	
Tacoma	Adult	Congregate Shelter	45	50	
Tacoma	Adult	Congregate Shelter	45	50	
Buckley	Adults/Family	Hotel-based	25	50	
Gig Harbor/Lakebay	Adults/Family	Hotel-based	25	50	
Roy	Adults/Family	Hotel-based	25	50	
Sumner/Bonney Lake	Adults/Family	Hotel-based	25	50	
Tacoma	Adults/Family	Hotel-based	25	50	
University Place	Adults/Family	Hotel-based	25	50	
Tacoma	Youth	House-Based	45	50	
Tacoma	Adults/Family	Medical Respite	25	50	
Eatonville	Adults/Family	Safe Encampment	25	50	Tiny House
Lakewood	Adult	Safe Encampment	45	50	Tiny House
Lakewood	Family	Safe Encampment	15	50	Tiny House
Orting	Adults/Family	Safe Encampment	25	50	Tiny House
Parkland/Spanaway	Adult	Safe Encampment	45	50	Tiny House
South Hill	Adult	Safe Encampment	190	200	Tiny House
Tacoma	Adult	Safe Encampment	190	200	Tiny House
Tacoma	Family	Safe Encampment	15	50	Tiny House
Buckley	Adults/Family	Safe Parking (multiple sites)	10	10	
Key Peninsula	Adults/Family	Safe Parking (multiple sites)	10	10	



Puyallup	Adults/Family	Safe Parking (multiple sites)	50	50	
Tacoma	Adults/Family	Safe Parking (multiple sites)	100	100	
Graham	Adults/Family	Tiny House	25	50	
Lakewood	Family	Tiny House	15	50	
Parkland/Spanaway	Family	Tiny House	190	200	
Puyallup	Family	Tiny House	15	50	
Steilacoom	Adults/Family	Tiny House	25	50	
Tacoma	Family	Tiny House	30	100	
Tacoma	Family	Tiny House	30	100	

## SHELTER COSTS

Shelter capital and operating costs can vary widely depending on the site costs, staffing model, services offered, and hours of operation. A safe encampment with just tents with porta-potties and hand-washing stations can house 50 people for \$1.17M (\$56 per bed night). For cost breakdowns, see Appendix B. A medical respite facility with nursing staff housing 50 people can cost over \$2.34M per year (\$126 per bed night). Most communities have a mix of shelter models to support the different needs of people experiencing homelessness and therefore experience a variety of per bed night costs.

### Capital Costs

Estimating capital costs for the various shelter models can be challenging, depending upon land costs, shelter type, location, size, and other factors.

A recent 40-unit tiny house village in Pierce County cost around \$500K to develop – or around \$12,500 per unit.

While safe encampments can be less expensive in capital costs initially, the recommendation that this model be temporary or evolve to a more sustainable model will eventually require a similar capital outlay.

Safe parking sites are far less expensive to create, as they are usually designed around night use only, with only fencing, portable toilets and hygiene stations needed on site.

Hotel costs can vary from nearly no capital costs if renting rooms in a hotel, to significant costs, if purchasing a hotel.

Medical respite has some of the highest capital costs, requiring a wheelchair accessible, climate-controlled facility with plumbed exam and procedure rooms.

### Operating Costs

Operating costs are more easily estimated and can be broken into four distinct categories:



### Operational Staff

All the costs associated with site management staff, including shelter generalists and supervisors. Janitorial and food services are also included in these costs.

### Supportive Services Staff

Supportive services include housing case managers and behavioral health case managers, as well as management to oversee their activities.

### Operation Fixed Costs

This includes a wide variety of fixed costs, such as phones, supplies, food, maintenance, and utility costs.

### Agency Administration

Agencies typically add an additional 15% for an administrative/accounting overhead.

## Example Budget

Below is an example budget for a 50-unit tiny house village. Example budgets for the different models are listed in Appendix B. Staffing is the most significant cost. Three case managers provide an appropriate client to case manager ratio. Ten generalists on staff allows 2 staff at the site at all times.

	Cost Per Hour	50 Staff	Tiny House Units Cost
<b>Operations</b>			
Supervisor	\$35	1	\$72,800
Case Managers	\$28	3	\$174,720
Generalists	\$27	10	\$561,600
Shelter Manager	\$40	0.3	\$24,960
staff subtotal			\$834,080
Operational Fixed Costs			\$182,500
Operations subtotal			\$1,016,580
Agency Administration			\$152,487
Operations Total			\$1,169,067
Bed year cost			\$20,332
Bed night cost			\$56
<b>Capital Unit Cost</b>			
Pallet/Tiny House	\$6,180		\$309,000
Infrastructure			\$210,000
Capital Total			\$519,000
Per Unit costs			\$10,380

### Shelter Type Cost Estimate quick reference

Appendix B provides fuller cost estimates for each shelter type. The chart below summarizes per unit costs for the seven different shelter models.



Shelter Type	Per Unit Capital Costs	Per Unit Daily Operating Costs	Per unit Annual Costs
Congregate Shelter	\$600	\$56	\$20,332
Tiny House Village	\$10,380	\$56	\$20,332
Hotel Rental Based	\$100	\$105	\$38,441
Safe Encampment	\$4,200	\$56	\$20,332
Safe Parking	\$300	\$25	\$9,245
Medical Respite	\$75,000	\$145	\$52,852
Young Adult – House-Based	\$400	\$110	\$40,028

### Proposed Shelter Expansion Plan Costs

This plan assumes no land costs or facility purchases. Using the number and type of units in the recommended shelter plan, the total capital costs will be around **\$13M**. Annual operating costs will be around **\$35M**. These costs are in addition to the nearly \$21M already spent each year for shelter in Pierce County.

In addition to the added cost of creating shelter, each of the shelter systems such as the Shelter Access Hub will combine for nearly **\$1M** in operating costs annually. There may be additional capital costs associated with these shelter system programs, depending on the design of the programs.

The chart below shows the one-time capital costs and annual operating costs.

Shelter Type	Per Unit Capital Costs	Per unit Annual Costs	Proposed Units	Proposed Beds	Capital Costs	Annual Operating Costs
Congregate Shelter	\$600	\$20,332	320	430	\$258,000	\$6,506,240
Tiny House Village	\$10,380	\$20,332	330	600	\$6,228,000	\$6,709,560
Hotel Rental Based	\$100	\$38,441	150	300	\$30,000	\$5,766,150
Safe Encampment	\$4,200	\$20,332	550	700	\$2,940,000	\$11,182,600
Safe Parking	\$300	\$9,245	170	170	\$51,000	\$1,571,650
Medical Respite	\$75,000	\$52,852	25	50	\$3,750,000	\$1,321,300
Young Adult – House-Based	\$400	\$40,028	45	50	\$20,000	\$1,801,260
<b>Total</b>			<b>1590</b>	<b>2300</b>	<b>\$13,277,000</b>	<b>\$34,858,760</b>

### TIMELINE

While November 1, 2021 was initially identified as the target to provide shelter to all, funding cycles will necessitate a phased implementation of shelter over the coming 9 months. The City of Tacoma and Pierce County have both funded new shelter capacity that will be operational by November 1, 2021. A Request for Information (RFI) process to be completed by November 1, 2021 will identify willing organizations and projects for coming funding rounds from Pierce County and local jurisdictions. Funding streams from Pierce County and local jurisdictions will use information collected in the Request for Information to

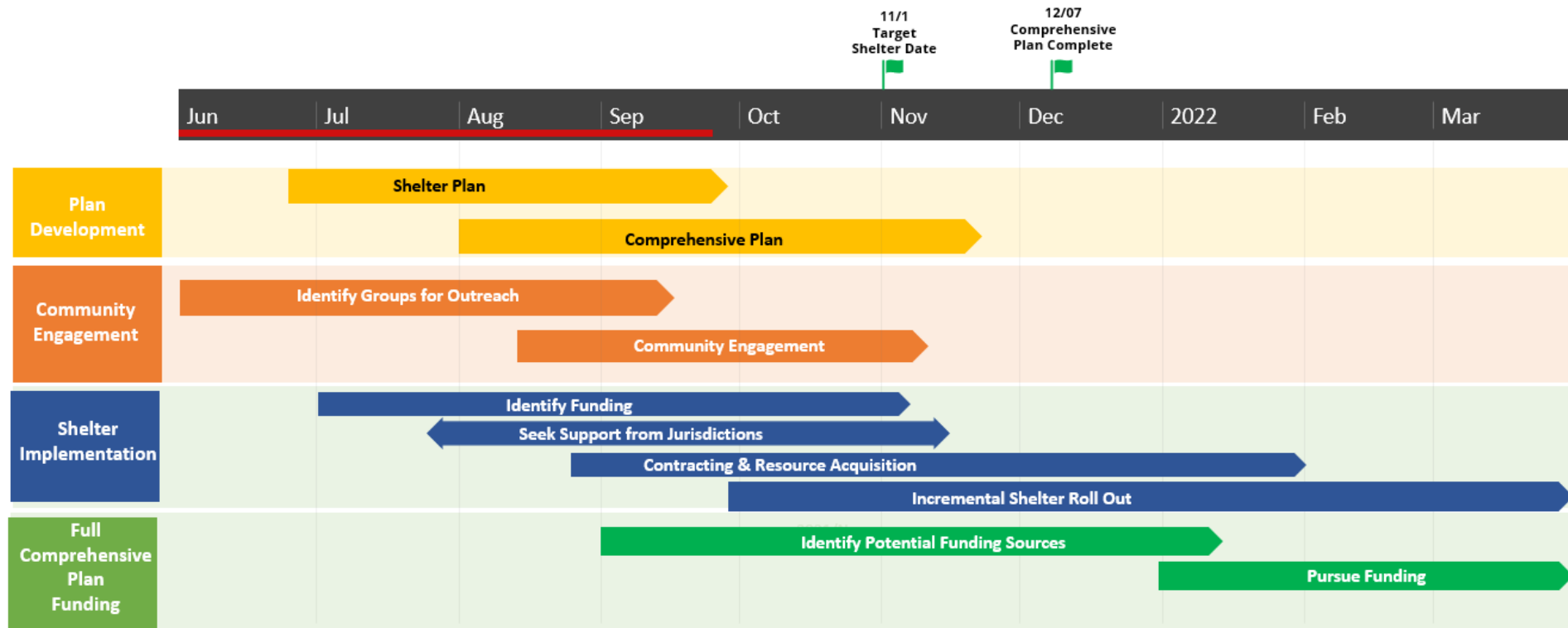




inform their Request for Proposal (RFP) process. Below is a visual of the project timeline, with some key dates from the comprehensive plan to end homelessness timeline.



# 2021-2022 Timeline





## APPENDIX A – APPROACH TO ESTIMATING UNSHELTERED HOMELESSNESS

### Unsheltered Estimate

Pierce County utilized two approaches to estimate the current unsheltered homeless population within Pierce County. Staff then cross validated the estimate with other sources. Both approaches provided approximately the same estimates and for verification purposes aligned with other sources, including the Veterans Master List, McKinney-Vento data, and population size estimates based on HUD inflow and duration of homelessness calculations.

Methodology 1 – Entry/Exits Table from HMIS was filtered with the following parameters:

1. Enrolled prior to 6/1/2021
2. Exited after 6/1/2021 or has no exit date
3. Is not a PSH enrollment
4. Residence Prior to Project Entry does not start with “Staying” or with “Rental” or with “owned” or with “permanent” (this ensures they are literally homeless)
5. If not, a shelter stay, the entry date is not earlier than 6/1/2020 (so filter out any enrollment over 1 year old that hasn’t exited unless it is a shelter stay – so this gets rid of old path and CHML entries)
6. Housing move-in date is null

Methodology 2 – Priority Pool and Emergency Shelter Enrollment within last 2 years with the following parameters:

1. Everyone in the priority pool (base) was assumed homeless
2. Everyone who enrolled in an Emergency Shelter, Day Shelter, Transitional Housing without ending up in the priority pool over the last two years (assumed possibly still homeless)
  - a. Removed previous living situation being permanent housing per HUD
3. Exits in the future or null

Methodology 1 resulted in approximately 3,200 unsheltered and Methodology 2 resulted in 3,400 unsheltered. The midpoint between the two was used as the estimate, 3,300.

### Unsheltered Location Estimates

The 2020 Point in Time Count location data was used to determine where unsheltered homeless may be located. This was intended to provide a rough overview and to demonstrate individuals who are homeless sleep in various settings. The estimate of 2,287 persons needing shelter was derived from the 3,300 persons estimated to be experiencing homelessness by subtracting the 998 current year-round emergency shelter beds and 15 current safe parking units (Table 1). Then, location percentages from the 2002 PIT were applied to the 2,287-person estimate (Table 2).



Table 1: Unsheltered Homeless after emergency shelter beds & safe parking applied Inputs	Clients
Estimate of Unsheltered Homeless	3,300
Current Year-Round Emergency Shelter Beds	998
Current Safe Parking Units	15
<b>Remaining Need</b>	<b>2,287</b>

Table 2: 2020 PIT Extrapolation		
Unsheltered Locations	Percentage of 2020 PIT	Current Estimate
Abandoned Building	3%	70
Bus, train station	1%	33
Other	11%	241
Outdoor encampment	21%	477
Park	5%	122
Street or Sidewalk	26%	600
Under bridge/overpass	4%	96
Vehicle	28%	648
<b>Grand Total</b>	<b>100%</b>	<b>2,287</b>

### Location (City) Estimates

The Last Housed Zip Code data for individuals entering Pierce County's Homeless Management Information System was used to determine where individuals experiencing homelessness between 05/01/2020-04/32/2021 originally resided (Table 3). The percentage outputs were then applied to the unsheltered estimate of 2,287-persons to estimate original residency. 18% of individuals had a last housed zip code outside Pierce County, which is indicative of individuals migrating to Pierce County during or after their homeless crisis began. The 18% was distributed proportionally amongst the locations based on last permanent zip code to avoid overstating migration to one area of Pierce County. The overall extrapolation is dependent upon HMIS system entry data aggregations being proportionate to Unsheltered Estimate population.

**Table 3: Last Housed Zip Code Extrapolation**



Locations	Last Permanent Zip Code?	Shelter Beds (n=998)	Parking Units (n=15)	Unsheltered (n=2,887)
Tacoma	58%	896	10	1432
Outside Pierce County	18%	---		---
Lakewood / Steilacoom	8%	8		327
Puyallup	6%	74	5	165
Parkland / Spanaway / Roy	3%			139
Bonney Lake /Sumner	3%			106
Graham	1%			46
University Place	1%			23
Fife / Milton	< 1%			17
Gig Harbor / Key Peninsula	< 1%			17
Rural East Pierce County	< 1%			15
Orting	< 1%	20		0
<b>Total</b>		<b>998</b>	<b>15</b>	<b>2,287</b>



## APPENDIX B – COST ESTIMATES

These estimates are from actual operational costs for the Stability Site and for the 6<sup>th</sup> and Orchard TEMS shelters. Capital costs are from the 6<sup>th</sup> and Orchard site as well as other Seattle Tiny House capital setup costs. Other known program costs, such as current safe parking costs and current hotel-based shelter costs are incorporated into the respective estimates

### 50-unit Congregate Shelter Cost Estimate

Capital costs can vary dramatically, from construction costs of a new dedicated shelter building with kitchen facility to using an existing gymnasium and purchasing cots and blankets. The example below assumes using an existing space with restrooms by simply adding beds, bedding and other necessities.

	Cost Per Hour	50 Staff	Congregate Cost
<b>Operations</b>			
Supervisor	35	1	\$ 72,800
Case Managers	28	3	\$ 174,720
Generalists	27	10	\$ 561,600
Shelter Manager	40	0.3	\$ 24,960
staff subtotal			\$ 834,080
Operational Fixed Costs			\$ 182,500
Operations subtotal			\$ 1,016,580
Agency Administration			\$ 152,487
Operations Total			\$ 1,169,067
Bed year cost			\$ 20,332
Bed night cost			\$ 56
<b>Capital</b>			
Pallet/Tiny House	6180		\$ -
Infrastructure			\$ 30,000
Capital Total			\$ 30,000
Per Unit costs			\$ 600

### 50-unit Tiny House Cost Estimate

Tiny houses have a similar operating cost as congregate shelter, but capital costs include the construction of tiny houses.

	Cost Per Hour	50 Staff	Tiny House Units Cost
<b>Operations</b>			
Supervisor	\$ 35	1	\$72,800
Case Managers	\$ 28	3	\$174,720
Generalists	\$ 27	10	\$561,600



Shelter Manager	\$ 40	0.3	\$24,960
staff subtotal			\$834,080
Operational Fixed Costs			\$182,500
Operations subtotal			\$1,016,580
Agency Administration			\$152,487
Operations Total			\$1,169,067
Bed year cost			\$20,332
Bed night cost			\$56
<b>Capital</b>			
Pallet/Tiny House	\$ 6,180		\$309,000
Infrastructure			\$210,000
Capital Total			\$519,000
Per Unit costs			\$10,380

#### Rented Hotel Room Cost Estimate

Rented hotel rooms have very low capital costs, but the rental cost included in operational fixed costs dramatically increases operational costs.

		50	Hotel Rooms Rented
	Cost Per Hour	Staff	Cost
<b>Operations</b>			
Supervisor	\$ 35	1	\$ 72,800
Case Managers	\$ 28	3	\$ 174,720
Generalists	\$ 27	5	\$ 280,800
Shelter Manager	\$ 40	0.3	\$ 24,960
staff subtotal			\$ 553,280
Operational Fixed Costs			\$ 1,368,750
Operations subtotal			\$ 1,922,030
Agency Administration			\$ 288,305
Operations Total			\$ 2,210,335
Bed year cost			\$ 38,441
Bed night cost			\$ 105
<b>Capital</b>			
Pallet/Tiny House	\$ 6,180		\$ -
Infrastructure			\$ 5,000
Capital Total			\$ 5,000
Per Unit costs			\$ 100



### Safe Encampment Cost Estimate

Operating costs are very similar to Tiny House villages. Safe Encampments can have capital costs to develop a safe and secure site, but no tiny house unit costs, unless the site will evolve to a tiny house village.

		50	Safe Encampment
	Cost Per Hour	Staff	Cost
<b>Operations</b>			
Supervisor	\$ 35	1	\$ 72,800
Case Managers	\$ 28	3	\$ 174,720
Generalists	\$ 27	10	\$ 561,600
Shelter Manager	\$ 40	0.3	\$ 24,960
staff subtotal			\$ 834,080
Operational Fixed Costs			\$ 182,500
Operations subtotal			\$ 1,016,580
Agency Administration			\$ 152,487
Operations Total			\$ 1,169,067
Bed year cost			\$ 20,332
Bed night cost			\$ 56
<b>Capital</b>			
Pallet/Tiny House	\$ 6,180		\$ -
Infrastructure			\$ 210,000
Capital Total			\$ 210,000
Per Unit costs			\$ 4,200

### Safe Parking Cost Estimate

Safe parking operates on a very different model. With no generalists on site, safe parking has much lower operating costs. In addition, capital costs are very low, with little site development required.

		10	Safe Parking Sites
	Cost Per Hour	Staff	Cost
<b>Operations</b>			
Supervisor	\$ 35	0.1	\$ 7,280
Case Managers	\$ 28	0.5	\$ 29,120
Generalists	\$ 27	0.2	\$ 11,232
Shelter Manager	\$ 40	0.1	\$ 8,320
staff subtotal			\$ 55,952
Operational Fixed Costs			\$ 36,500
Operations subtotal			\$ 92,452
Agency Administration			\$ 13,868



Operations Total			\$ 106,320
Bed year cost			\$ 9,245
Bed night cost			\$ 25
<b>Capital</b>			
Pallet/Tiny House	\$ 6,180		\$ -
Infrastructure			\$ 3,000
Capital Total			\$ 3,000
Per Unit costs			\$ 300

#### Medical Respite Shelter Cost Estimate

Nursing costs and extra staffing requirements increase the operating costs of respite shelter. In addition, the wheelchair accessibility requirements, heating and air conditioning needs, and need for exam and procedure rooms can significantly increase the capital costs.

	Cost Per Hour	20 Staff	Beds Cost
<b>Operations</b>			
Supervisor	\$ 35	1	\$ 72,800
Case Managers	\$ 28	1	\$ 58,240
Nurses	\$ 65	1	\$ 135,200
Generalists	\$ 27	10	\$ 561,600
Shelter Manager	\$ 40	1.0	\$ 83,200
staff subtotal			\$ 911,040
Operational Fixed Costs			\$ 146,000
Operations subtotal			\$ 1,057,040
Agency Administration			\$ 158,556
Operations Total			\$ 1,215,596
Bed year cost			\$ 52,852
Bed night cost			\$ 145
<b>Capital</b>			
Infrastructure			\$ 1,500,000
Capital Total			\$ 1,500,000
Per Unit costs			\$ 75,000

#### Young Adult House-Based Shelter Cost Estimate

The goal of housing young adults in much smaller facilities requires higher staffing levels. Using houses as a shelter model eliminates many of the capital cost.



	Cost Per Hour	50 Staff	Young Adult House-based Cost
<b>Operations</b>			
Supervisor	\$ 35	1	\$ 72,800
Case Managers	\$ 28	3	\$ 174,720
Generalists	\$ 27	20	\$ 1,123,200
Shelter Manager	\$ 40	1.0	\$ 83,200
staff subtotal			\$ 1,453,920
Operational Fixed Costs			\$ 547,500
Operations subtotal			\$ 2,001,420
Agency Administration			\$ 300,213
Operations Total			\$ 2,301,633
Bed year cost			\$ 40,028
Bed night cost			\$ 110
<b>Capital</b>			
Pallet/Tiny House	\$ 6,180		\$ -
Infrastructure			\$ 20,000
Capital Total			\$ 20,000
Per Unit costs			\$ 400



## APPENDIX C – GLOSSARY OF TERMS

### By-name list

A by-name list is a real time, up-to-date list of all people experiencing homelessness in your community that can be filtered by categories and shared across appropriate agencies. This list is generated with data from outreach, HMIS, federal partners, and any other community shelter and providers working within the homeless subpopulation.

### Chronically Homeless

Chronic homelessness is used to describe people who have experienced homelessness for at least a year — or repeatedly — while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability.

### Coordinated Entry System

A coordinated entry system standardizes and coordinates the way households experiencing homelessness across the community are assessed for and referred to the housing and services that they need for housing stability.

### Diversion

Diversion is a strategy intending to divert households from the Homeless Crisis Response System. It does so by helping them, through a Housing Solutions Conversation (see below), identify immediate alternate housing arrangements, and if necessary, connect with services and financial assistance to help them return to permanent housing. Diversion is implemented within the coordinated entry system

### Homeless Management Information System

An information system designated by the Continuum of Care Committee to comply with requirements prescribed by HUD. This system stores client information about persons who access homeless services in a Continuum of Care, and is a core source of data on the population of people experiencing homelessness who engage with Coordinated Entry.

### Household

Household means all persons occupying or intending to occupy a housing unit. The occupants may be a family, two or more families living together, or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.

### Housing Solutions Conversation

This short-term problem-solving technique, the core tactic for Diversion (see above), meets a housing crisis head on with the creativity and resources of the person experiencing the crisis. By helping them to leverage their natural resources—such as their family, friends, or faith communities—people can find no-cost or low-cost housing solutions at a critical moment. Once the issues are identified, their own solution can sometimes be paired with short-term rental assistance, a one-time bill payment, or help finding a job or addressing health and safety needs, providing support to help them maintain their current housing.



#### Literally Homeless

A person who is literally homeless does not have a fixed nighttime residence and instead might sleep overnight in a temporary shelter or place not meant for human habitation.

#### McKinney-Vento Homeless Assistance Act

The federal McKinney-Vento Act more broadly defines homelessness in an effort to provide protections and supports for students living in a variety of unstable housing situations: Homeless students are defined as those who lack “a fixed, regular, and adequate nighttime residence,” and includes those that who are living in doubled up situations.

#### Medical Respite

A shelter model providing additional medical support to medically fragile clients.

#### Permanent Supportive Housing

Permanent Supportive Housing is long-term housing that provides supportive services for low income or homeless people with disabling conditions. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting. Supportive services may be provided by the organization managing the housing or coordinated by the housing provider, and provided by other public or private service agencies.

#### Point in Time Count

The annual count of sheltered and unsheltered homeless persons on a single night, which is conducted in Pierce County in January

#### Rapid Rehousing

Services and supports designed to help persons experiencing homelessness move as quickly as possible into permanent housing with time-limited financial assistance.

#### Safe Encampment

A shelter model where clients stay in tents in an encampment setting with hygiene facilities. Staffing can range from self-management models to 24x7 staffing with security and case management.

#### Safe Parking

A shelter model where clients stay in their cars in a parking lot setting with hygiene facilities. Clients typically only stay during the night, but some sites run 24x7. Sites are typically self-managed with some case management.

#### Shelter

Shelter includes any facility with the primary purpose of providing temporary shelter for all people experiencing homelessness or specific subpopulations.

#### Shelter Generalist

A staffing role providing a variety of operational supports at a site, often including security, site cleanup, client interactions, and coordinating meals.





Transitional housing

Temporary housing and supportive services for up to 24 months that serves households before transitioning into permanent housing.



Dashboard: System Performance



Homelessness System Performance

is measured by how many people regain housing, how quickly they do so, and whether they remain housed.

Select a program type and a demographic indicator to break down performance by intervention and demographic. Choose a time period to compare performance over time.

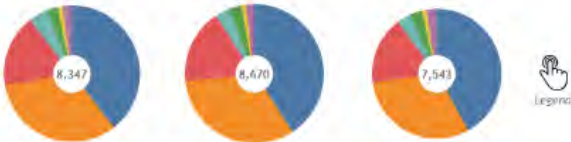
Program Type: [All]   
 Demographic Split: Race: [ ]   
 Time Period for Comparison: Last Two Years [ ]



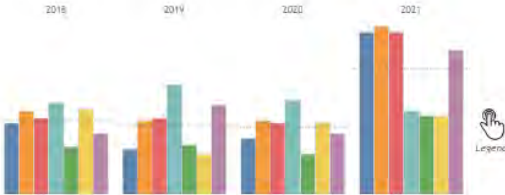
So far in 2020, here's how our system's programs are performing.

Hover over text and figures for more information.

7,543 people have enrolled in programs in the homeless crisis-response system.



People have spent a median time of 28 days in these programs.



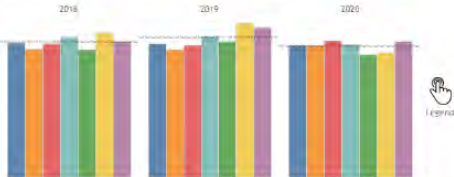
4,682 people secured housing via programs in the homeless crisis-response system.



84% of people who found housing two years ago did not return to homelessness over the last 12 months.



84% of people who found housing two years ago did not return to homelessness over the last 12 months.



14% of people increased their income over the course of the program.



Data are from Pierce County's Homeless Management Information System. Last refresh: 12/31/2020. Dashed lines indicate weighted averages by demographic category. Questions: Contact [shelvia-kang@piercecountywa.gov](mailto:shelvia-kang@piercecountywa.gov)

+ a b l e a u





The Point-In-Time Count (PIT) is a one-day snapshot that captures the characteristics and situations of people living here without a home. The PIT Count includes both sheltered individuals (emergency shelters or transitional housing) and unsheltered individuals (those sleeping outside or living in places that are not meant for human habitation).

The annual PIT Count happens the last Friday in January, and is carried out by volunteers who interview people using a standard survey form that asks people where they slept the night before, where their last residence was located, what may have contributed to their loss of housing, and what disabilities the individual may have. It also asks how long the individual has been homeless, age and demographics, and whether the person is a veteran and/or a survivor of domestic violence. In 2017, 219 volunteers participated in the count, comparable in number to the 214 volunteers in 2016 and significantly higher than the number in 2015, which was less than 100.

Like all surveys, the PIT Count has limitations. Results from the Count are influenced by the weather, by availability of overflow shelter beds, by the number of volunteers, and by the level of engagement of the people we are interviewing. Comparisons from year to year should be done with those limitations in mind.

## Individuals

Total # Persons Counted	#	%
<b>All Persons Total</b>	<b>1321</b>	<b>100%</b>
Sheltered	817	62%
Unsheltered	504	38%

The HUD definition of "sheltered" includes ONLY shelters or transitional housing that report in HMIS.

	Historical Data (For Trends)				
	2013	2014	2015	2016	2017
<b>Total</b>	<b>1303</b>	<b>1464</b>	<b>1283</b>	<b>1762</b>	<b>1321</b>
Sheltered*	1183	1171	944	1268	817
Unsheltered	120	293	339	494	504

Race	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
American Indian/Alaskan Native	40	3%	18	1%	22	2%
Asian	27	2%	23	2%	4	0.3%
Black/African Americans	220	17%	152	12%	68	5%
Multi- Racial	189	14%	173	13%	16	1%
Native Hawaiian/Other Pacific Islander	67	5%	48	4%	19	1%
Unknown	111	8%	10	1%	101	8%
White	667	50%	393	30%	274	21%
	1321		817		504	

Age	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Under 18	269	20%	258	20%	11	1%
18-25 yr. old	127	10%	75	6%	52	4%
26-35 yr. old	232	18%	136	10%	96	7%
36-45 yr. old	240	18%	123	9%	117	9%
46-55 yr. old	246	19%	129	10%	117	9%
56-65 yr. old	143	11%	82	6%	61	5%
66+	30	2%	13	1%	17	1%
Not Reported	34	3%	1	0%	33	2%
	1321		817		504	

Gender	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Female	515	39%	364	28%	151	11%
Male	755	57%	449	34%	306	23%
Refused	50	4%	4	0%	46	3%
Transgender	1	0%	0	0%	1	0%
	1321		817		504	

Where People Stayed the Night Before the Count	#	% of total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Abandoned Building	20	2%	0	0%	20	2%
Emergency Shelter	577	44%	577	44%	0	0%
Other	71	5%	0	0%	71	5%
Out of Doors (street, tent, etc)	296	22%	0	0%	296	22%
Structure Lacking Basic Amenities	22	2%	0	0%	22	2%
Transitional Housing	240	18%	240	18%	0	0%
Vehicle	95	7%	0	0%	95	7%
	1321		817		504	

Targeted Populations	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Chronically* Homeless Persons	276	20.9%	21	2%	255	19%
Victims of Domestic Violence	183	14%	51	4%	132	10%
Veterans	134	10%	49	4%	85	6%
Unaccompanied Youth & Young Adults**	84	6%	44	3%	40	3%

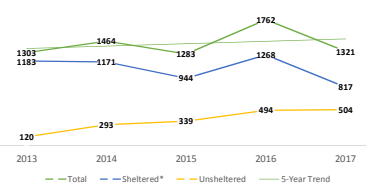
\* HUD defines chronic homelessness as a person who has a disabling condition AND has either been continuously homeless for a year or more, OR has had at least four homeless episodes totaling one year or more in the past three years.

\*\* The County started doing a targeted youth and young adult count in 2015.

Self-Reported Disabilities	Reported Disabilities		Sheltered		Unsheltered	
	#	% of Total Reported Disabilities	#	% of Total Reported Disabilities	#	% of Total Reported Disabilities
Mental Illness	311	31%	106	11%	205	20%
Physical Disability	226	22%	72	7%	154	15%
Chronic Health Condition	191	19%	43	4%	148	15%
Substance Use	180	18%	16	2%	164	16%
Developmental Disability	95	9%	20	2%	75	7%
HIV/AIDS	3	0.3%	0	0%	3	0.3%
	1006					

Individuals may offer multiple responses

HOMELESSNESS TRENDS  
2013-2017



\* "Sheltered" includes emergency shelter and transitional housing. With the exception of 2016, the sheltered count has generally declined due to the planned conversion of transitional housing to permanent housing. The increase in 2016 was the result of one-time additional City of Tacoma funds to emergency shelters to operate extra overflow beds through the entire winter season.

	Historical Data (For Trends)				
	2013	2014	2015	2016	2017
Chronically* Homeless Persons	136	217	213	420	276
Victims of Domestic Violence	157	177	244	487	183
Veterans	93	162	138	190	134
Unaccompanied Youth & Young Adults**	N/A	NA	89	90	84





## 2017 Point-In-Time Count Results January 27, 2017

The Point-In-Time Count (PIT) is a one-day snapshot that captures the characteristics and situations of people living here without a home. The PIT Count includes both sheltered individuals (emergency shelters or transitional housing) and unsheltered individuals (those sleeping outside or living in places that are not meant for human habitation).

The annual PIT Count happens the last Friday in January, and is carried out by volunteers who interview people using a standard survey form that asks people where they slept the night before, where their last residence was located, what may have contributed to their loss of housing, and what disabilities the individual may have. It also asks how long the individual has been homeless, age and demographics, and whether the person is a veteran and/or a survivor of domestic violence. In 2017, 219 volunteers participated in the count, comparable in number to the 214 volunteers in 2016 and significantly higher than the number in 2015, which was less than 100.

Like all surveys, the PIT Count has limitations. Results from the Count are influenced by the weather, by availability of overflow shelter beds, by the number of volunteers, and by the level of engagement of the people we are interviewing. Comparisons from year to year should be done with those limitations in mind.

Households						
Total Household Types Counted	#	%	Sheltered		Unsheltered	
			#	%	#	%
<b>Total Households</b>	<b>959</b>	<b>100%</b>	<b>520</b>	<b>54%</b>	<b>439</b>	<b>46%</b>
Households without Children	827	86%	395	41%	432	45%
Households with Children	132	14%	125	13%	7	1%

**Total Households**

Households without Children

Households with Children

Historical Data (For Trends)					
2013	2014	2015	2016	2017	
<b>539</b>	<b>801</b>	<b>757</b>	<b>1053</b>	<b>827</b>	
539	801	757	1053	827	
228	196	154	232	132	

Household Income & Employment	#	% of Total Responses	Sheltered		Unsheltered	
			#	%	#	%
Declared Income	706	82%	427	50%	279	32%
Declared Employment	154	18%	119	14%	35	4%
	860		546		314	

Not every person surveyed answered this question

Last Reported Zipcode	#	% of Total Responses	Sheltered		Unsheltered	
			#	%	#	%
Bonney Lake	8	1%	4	1%	4	1%
Buckley	1	0.1%	1	0.1%	0	0%
Carbonado	1	0.1%	1	0.1%	0	0%
Dupont	1	0.1%	1	0.1%	0	0%
Eatonville	2	0.3%	0	0%	2	0.3%
Fife	5	0.7%	2	0.3%	3	0.4%
Gig Harbor	2	0.3%	2	0.3%	0	0%
Graham	6	0.8%	3	0.4%	3	0.4%
Joint Base Lewis McChord	2	0.3%	1	0.1%	1	0.1%
Lakewood	69	10%	51	7%	18	3%
Milton	1	0.1%	1	0.1%	0	0%
Orling	2	0.3%	2	0.3%	0	0%
Parkland	58	8%	32	5%	26	4%
Puyallup	24	3%	7	1%	17	2%
Roy	2	0.3%	1	0.1%	1	0%
South Hill	17	2.4%	15	2%	2	0.3%
Spanaway	19	2.7%	11	2%	8	1%
Sumner	6	0.8%	2	0.3%	4	1%
Tacoma	313	44%	224	32%	89	13%
University Place	20	3%	14	2%	6	1%
Vaughn	1	0.1%	1	0.1%	0	0%
Wauna	1	0.1%	1	0.1%	0	0%
King County	52	7%	43	6%	9	1%
Out of State	53	7%	20	3%	33	5%
Out of Pierce and King Counties	42	6%	33	5%	9	1%
* Indicates Overlapping Zip codes	708		473		235	

Not every person surveyed answered this question

Income Sources	#	% of Total Responses	Sheltered		Unsheltered	
			#	%	#	%
Public Assistance	633	63%	446	45%	187	19%
None	119	12%	2	0.2%	117	12%
Social Security	92	9%	0	0%	92	9%
Employed Full-time at Low-wage Job	40	4%	31	3%	9	1%
Part-time Work	40	4%	12	1%	28	3%
Veteran Administration Benefits	25	3%	3	0.3%	22	2%
Relatives, Partners or Friends	20	2%	0	0%	20	2%
Child Support	14	1%	11	1%	3	0.3%
Unemployment Insurance	5	1%	1	0.1%	4	0.4%
Refused	5	1%	1	0.1%	4	0.4%
Don't Know	3	0.3%	0	0%	3	0.3%
L&I Worker's Compensation	2	0.2%	0	0%	2	0.2%
	998					

Households may offer multiple responses

Circumstances That Contributed to Homelessness by Household	#	% of Total responses
Job Loss/Lack of Job Skills/Other Economic Reasons	279	24%
Displacement/Last Living Situation/Eviction	238	20%
Family Crisis/ Break-up	140	12%
Alcohol/Substance Abuse	115	10%
Illness/Health Problems/Medical Costs	115	10%
Mental Illness	91	8%
Domestic Violence	77	7%
Transient on the Road	34	3%
Discharged from an Institution	28	2%
Language Barrier	12	1%
Out of Home Youth	10	1%
Don't Know	8	1%
Aged out of Foster Care	7	1%
Refused	5	0.4%
Lack of Child Care	2	0.2%
Conviction	1	0.1%

Households may offer multiple responses

1162





2018 Point-In-Time Count Results

Each January, Pierce County surveys people experiencing homelessness. This “point-in-time count” is a one-day snapshot that captures the characteristics and situations of people living here without a home.

1,628

Homeless persons counted



22%

Chronically homeless



25%

Households with children



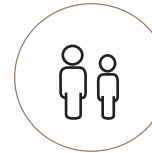
38%

Female



10%

Victims of domestic violence



6%

Unaccompanied youth & young adults



9%

Veterans



48% People of color\*

\*However, people of color make up only 24% of the Pierce County population. (U.S. Census Bureau 2015)

Not all people experiencing homelessness sleep outside



46%

Emergency shelter



33%

Out of doors (street, tent, etc.)



8%

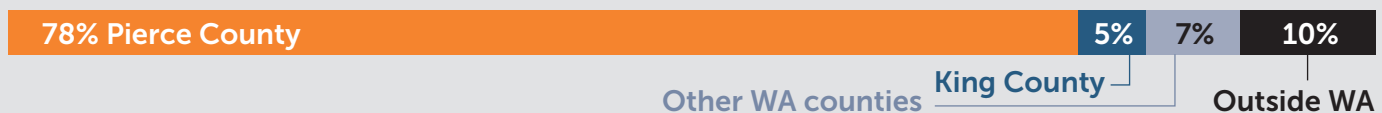
Transitional housing



13%

Vehicle, abandoned building, other

Most told us they lived in Pierce County before they became homeless

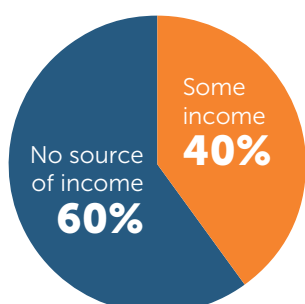


The main causes of homelessness are economic and housing-related

Survey respondents shared many causes for becoming homeless. These are the top three:

1. Lack of affordable housing
2. Inadequate income or employment
3. Eviction

Many people experiencing homelessness have an income



40% of people who are homeless in Pierce County report at least one source of income.

Mental illness is the most commonly reported disability

Here is the breakdown of the most commonly reported disabilities. Some people reported having multiple disabilities.

Mental illness

31%

Physical disability

25%

Chronic health condition

24%

Substance use

18%

Developmental disability

9%

For the full data set:

Visit [www.piercecountywa.org/pointintime/2018data](http://www.piercecountywa.org/pointintime/2018data)



## 2018 Point-In-Time Count Results January 26, 2018

The Point-In-Time Count (PIT) is a one-day snapshot that captures the characteristics and situations of people living here without a home. The PIT Count includes both sheltered individuals (those sleeping in emergency shelters or transitional housing) and unsheltered individuals (those sleeping outside or living in places that are not meant for human habitation).

The annual PIT Count occurs the last Friday in January. It is carried out by volunteers who interview people using a standard survey (via a mobile app) that asks people where they slept the night before, where their last residence was located, what may have contributed to their loss of housing, and what disabilities the individual may have. It also asks how long the individual has been homeless, age and demographics, and whether the person is a veteran and/or a survivor of domestic violence. In 2018, 337 volunteers participated in the count, a significant increase over the 219 volunteers in 2017.

Like all surveys, the PIT Count has limitations. Results from the count are influenced by the weather, by availability of overflow shelter beds, by the number of volunteers, and by the level of engagement of the people volunteers interview. Additionally, this year, two changes were implemented to improve the accuracy of the unsheltered count: a) volunteers counted people in known encampments overnight (between 1:00 am and 5:00 am), whereas prior counts were only conducted during the day (between 7:00 am and 7:00 pm); and b) volunteers also conducted an observation count of unsheltered people who did not consent to a survey, whereas prior counts only reflected people who consented to be surveyed. As a result, comparisons from year to year should be conducted with these changes and limitations in mind.

			Historical Data				
Total Persons Counted	#	%	2014	2015	2016	2017	2018
<b>All Persons Total</b>	<b>1628</b>	<b>100%</b>	<b>1464</b>	<b>1283</b>	<b>1762</b>	<b>1321</b>	<b>1628</b>
Sheltered	878	54%	1171	944	1268	817	878
Unsheltered	750	46%	293	339	494	504	750

The HUD definition of "sheltered" includes ONLY shelters or transitional housing that report in HMIS.

Total  
Sheltered\*  
Unsheltered

Total Household Types Counted	#	% of Total Households Counted	Sheltered		Unsheltered	
			#	%	#	%
<b>Total Households</b>	<b>1274</b>	<b>100%</b>	<b>602</b>	<b>47%</b>	<b>672</b>	<b>53%</b>
Households without Children	1135	89%	473	37%	662	52%
Households with Children	128	10%	120	9%	8	1%
Households with only Children	11	1%	9	1%	2	0%

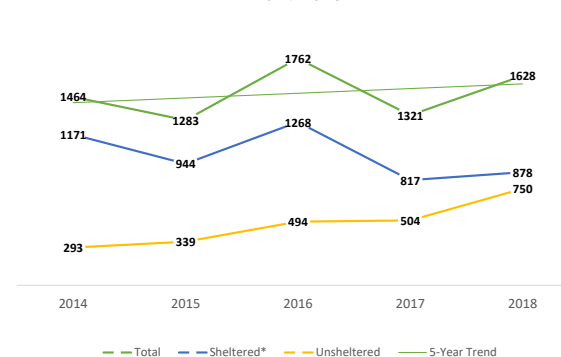
In this table only, percentages represent percent of total households (i.e. not individuals).

Race	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
American Indian/Alaskan Native	62	4%	15	1%	47	3%
Asian	28	2%	20	1%	8	0.5%
Black/African Americans	383	24%	239	15%	144	9%
Multi- Racial	227	14%	160	10%	67	4%
Native Hawaiian/Other Pacific Islander	71	4%	50	3%	21	1%
White	857	53%	394	24%	463	28%
	1628		878		750	

Ethnicity	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Non-Hispanic/Non-Latino	1406	86%	765	47%	641	39%
Hispanic/Latino	222	14%	113	7%	109	6.7%
	1628		878		750	

Age	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Under 18	250	15%	238	15%	12	1%
18-24 yr. old	141	9%	80	5%	61	4%
25-34 yr. old	334	21%	159	10%	175	11%

HOMELESSNESS TRENDS  
2014-2018



\* "Sheltered" includes emergency shelter and transitional housing. With the exception of 2016, the sheltered count has generally declined due to the planned conversion of transitional housing to permanent housing. The increase in 2016 was the result of one-time additional City of Tacoma funds to emergency shelters to operate extra overflow beds through the entire winter season.



35-44 yr. old	267	16%	117	7%	150	9%
45-54 yr. old	355	22%	157	10%	198	12%
55-61 yr. old	204	13%	88	5%	116	7%
62+	77	5%	39	2%	38	2%
	1628		878		750	

Gender	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Female	637	39%	375	23%	262	16%
Male	986	61%	501	31%	485	30%
Transgender	4	0%	2	0%	2	0%
Non-conforming	1	0%	0	0%	1	0%
	1628		878		750	

Where People Stayed the Night Before the Count	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Abandoned Building	125	8%	0	0%	125	8%
Emergency Shelter	743	46%	743	46%	0	0%
Out of Doors (street, tent, etc)	534	33%	0	0%	534	33%
Transitional Housing	135	8%	135	8%	0	0%
Vehicle	78	5%	0	0%	78	5%
Housed	13	1%	0	0%	13	1%
	1628		878		750	

Targeted Populations	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Chronically* Homeless Persons	366	22%	188	12%	178	11%
Victims of Domestic Violence	165	10%	97	6%	68	4%
Veterans	139	9%	60	4%	79	5%
Unaccompanied Youth & Young Adults**	96	6%	47	3%	49	3%

\* HUD defines chronic homelessness as a person who has a disabling condition AND has either been continuously homeless for a year or more, OR has had at least four homeless episodes totaling one year or more in the past three years.

\*\* The County began conducting a targeted youth and young adult count in 2015.

Self-Reported Disabilities	Reported Disabilities		Sheltered		Unsheltered	
	#	% of Total Persons Counted	#	%	#	%
Mental Health	503	31%	278	17%	225	14%
Physical Disability	409	25%	228	14%	181	11%
Chronic Health Condition	404	25%	185	11%	219	13%
Substance Use	288	18%	130	8%	158	10%
Developmental Disability	152	9%	65	4%	87	5%
HIV/AIDS	15	0.8%	6	0%	9	1%
	1771		892		879	

Individuals may offer multiple responses  
Percentages represent percent of total persons and thus may not sum to 100%.

Last Reported Zipcode	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Anderson Island	1	0%	0	0%	1	0%

Not all individuals answered this question.

Historical Data					
	2014	2015	2016	2017	2018
Chronically* Homeless Persons	217	213	420	276	403
Victims of Domestic Violence	177	244	487	183	165
Veterans	162	138	190	134	135
Unaccompanied Youth & Young Adults**	NA	89	90	84	96



Bonney Lake	7	0%	3	0%	4	0%
Buckley	4	0%	3	0%	1	0%
Carbonado	1	0%	0	0%	1	0%
DuPont	1	0%	0	0%	1	0%
Eatonville	7	0%	5	0%	2	0%
Fife	22	1%	5	0%	17	1%
Gig Harbor	9	1%	7	0%	2	0%
Graham	6	0%	1	0%	5	0%
Joint Base Lewis McChord	4	0%	1	0%	3	0%
Kapowsin	3	0%	1	0%	2	0%
King County	47	3%	29	2%	18	1%
La Grande	1	0%	0	0%	1	0%
Lakebay	1	0%	0	0%	1	0%
Lakewood	157	10%	106	7%	51	3%
Longbranch	1	0%	0	0%	1	0%
Milton	2	0%	1	0%	1	0%
Orting	2	0%	0	0%	2	0%
Out of Pierce and King Counties	89	5%	66	4%	23	1%
Out of State	121	7%	75	5%	46	3%
Parkland	91	6%	79	5%	12	1%
Puyallup	64	4%	19	1%	45	3%
Roy	3	0%	0	0%	3	0%
South Hill	28	2%	28	2%	0	0%
Spanaway	50	3%	32	2%	18	1%
Steilacoom	2	0%	1	0%	1	0%
Sumner	6	0%	1	0%	5	0%
Tacoma	529	32%	356	22%	173	11%
University Place	24	1%	22	1%	2	0%
Unknown	343	21%	36	2%	307	19%
Wauna	2	0%	1	0%	1	0%
	1628		878		750	

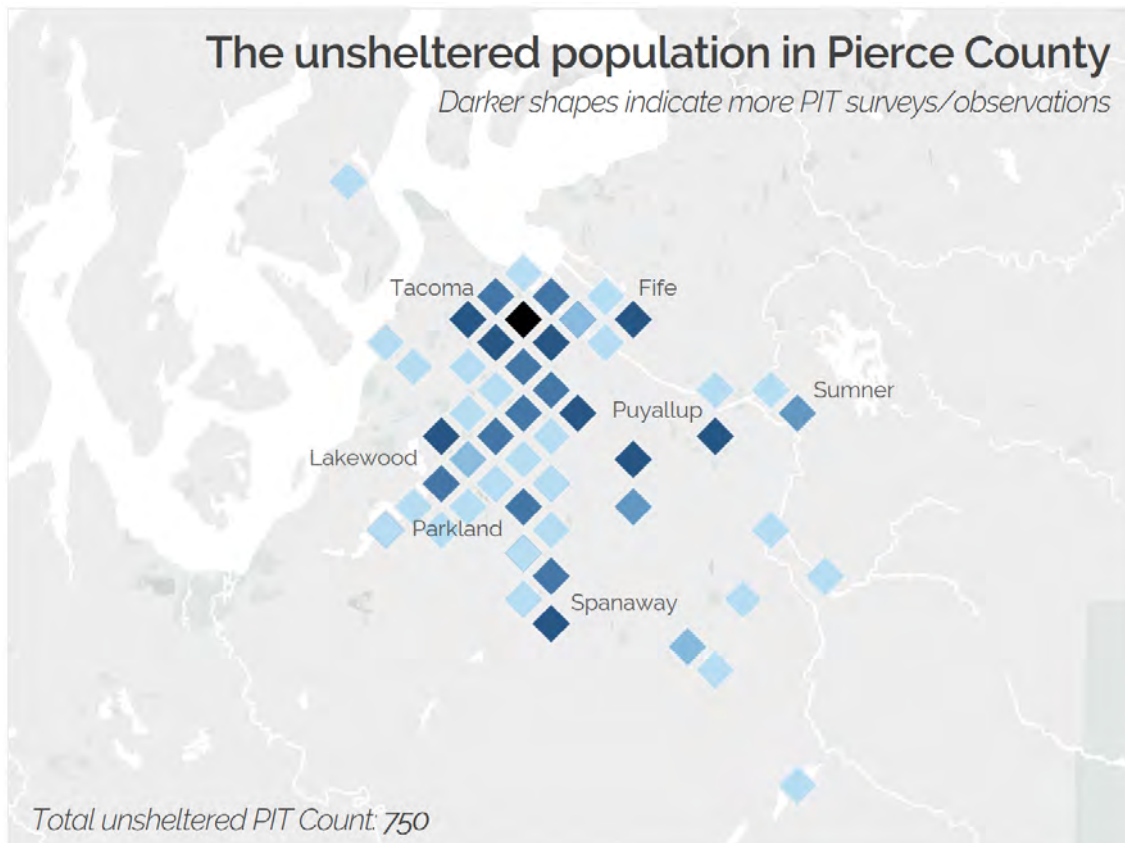
Income Sources	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Alimony	5	0%	3	0%	2	0%
Child Support	22	1%	20	1%	2	0%
General	52	3%	26	2%	26	2%
Income From Job	147	9%	111	7%	36	2%
No Resource	977	60%	483	30%	494	30%
Other	82	5%	23	1%	59	4%
Pension or Other Retirement	13	1%	7	0%	6	0%
Private Disability	4	0%	1	0%	3	0%
Retirement Income From Social Security	14	1%	10	1%	4	0%
SSDI	99	6%	55	3%	44	3%
SSI	247	15%	132	8%	115	7%
TANF	96	6%	70	4%	26	2%
Unemployment	11	1%	9	1%	2	0%
VA Non-Service	14	1%	6	0%	8	0%
VA Service	21	1%	11	1%	10	1%
Workers Comp	1	0%	1	0%	0	0%
	1805		968		837	

Individuals may have more than one source of income.  
Percentages represent percent of total persons and thus may not sum to 100%.

Primary Reason For Homelessness	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%



Child Born During Homeless Episode	13	1%	4	0%	9	1%
Criminal activity	32	2%	11	1%	21	1%
Domestic Violence Victim & Fleeing domestic violence	124	8%	95	6%	29	2%
Eviction & Mortgage Foreclosure	140	9%	79	5%	61	4%
Family breakup & Family Crisis/Breakup	78	5%	15	1%	63	4%
Health/Safety	34	2%	20	1%	14	1%
Loss of child care	1	0%	0	0%	1	0%
Loss of job	131	8%	62	4%	69	4%
Loss of public assistance	6	0%	0	0%	6	0%
Loss of Transportation	3	0%	1	0%	2	0%
Medical condition	29	2%	18	1%	11	1%
Mental Health	37	2%	14	1%	23	1%
No affordable housing	256	16%	209	13%	47	3%
Other	54	3%	1	0%	53	3%
Released from institution	15	1%	9	1%	6	0%
Substance abuse	61	4%	34	2%	27	2%
Substandard Housing	4	0%	3	0%	1	0%
Underemployment/low income	172	11%	153	9%	19	1%
Unknown	438	27%	150	9%	288	18%
	1628		878		750	







## 2019 Point-In-Time Count Results

Each January, Pierce County surveys people experiencing homelessness. This “point-in-time count” is a one-day snapshot that captures the characteristics and situations of people living here without a home.

# 1,486

Homeless persons counted



## 24%

Chronically homeless



## 25%

Members of families with children



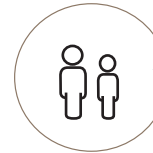
## 38%

Female



## 7%

Adult survivors of domestic violence



## 10%

Unaccompanied youth & young adults



## 9%

Veterans



## 46%

 People of color\*

\*However, people of color make up only 26% of the Pierce County population. (ACS estimate 2017)

## Not all people experiencing homelessness sleep outside



## 47%

Emergency shelter



## 28%

Out of doors (street, tent, etc.)



## 11%

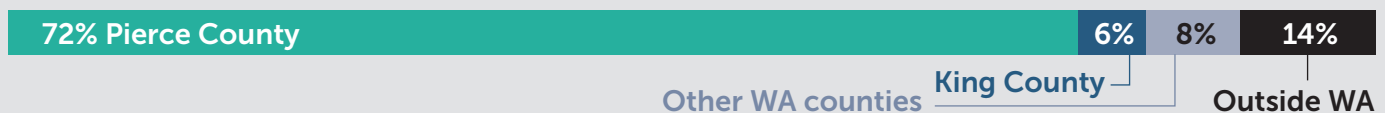
Transitional housing



## 14%

Vehicle, abandoned building, other

## Most told us they lived in Pierce County before they became homeless

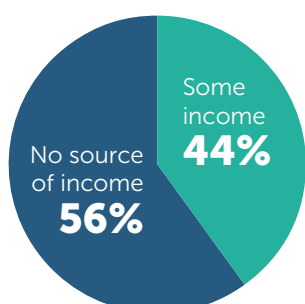


## The main causes of homelessness are economic and housing-related

Survey respondents shared many causes for becoming homeless. These are the top three:

1. Lack of affordable housing
2. Inadequate income or employment
3. Eviction

## Many people experiencing homelessness have an income



44% of people who are homeless in Pierce County report at least one source of income.

## Mental illness is the most commonly reported disability

Here is the breakdown of the most commonly reported disabilities. Some people reported having multiple disabilities.

### Mental illness

## 36%

### Physical disability

## 30%

### Chronic health condition

## 30%

### Substance use

## 23%

### Developmental disability

## 10%

## For the full data set:

Visit [www.piercecountywa.gov/pointintime/2019data](http://www.piercecountywa.gov/pointintime/2019data)



## 2019 Point-In-Time Count Results January 25, 2019

The Point-In-Time Count (PIT) is a one-day snapshot that captures the characteristics and situations of people living in the County without permanent housing. The PIT Count includes both sheltered individuals (those sleeping in emergency shelters or transitional housing) and unsheltered individuals (those sleeping outside or living in places that are not meant for human habitation).

The annual PIT Count occurs the last Friday in January. It is carried out by volunteers who interview people using a standard survey (via a mobile app) that asks people where they slept the night before, where their last residence was located, what may have contributed to their loss of housing, and what disabilities the individual may have. It also asks how long the individual has been homeless, age and demographics, and whether the person is a veteran and/or a survivor of domestic violence. In 2019, 315 volunteers participated in the count.

Like all surveys, the PIT Count has limitations. Results from the count are influenced by the weather, by availability of overflow shelter beds, by the number of volunteers, and by the level of engagement of the people volunteers interview. Additionally, this year, two changes were implemented to improve the accuracy of the unsheltered count: a) volunteers counted people in known encampments overnight (between 10:00 pm and 3:00 am), whereas most prior counts were only conducted during the day (between 7:00 am and 7:00 pm); and b) volunteers also conducted an observation count of unsheltered people who did not consent to a survey, whereas most prior counts only reflected people who consented to be surveyed. As a result, comparisons from year to year should be conducted with these changes and limitations in mind.

			Historical Data				
Total Persons Counted	#	%	2014	2015	2016	2017	2018
<b>All Persons Total</b>	<b>1486</b>	<b>100%</b>	<b>1464</b>	<b>1283</b>	<b>1762</b>	<b>1321</b>	<b>1628</b>
Sheltered	857	58%	1171	944	1268	817	878
Unsheltered	629	42%	293	339	494	504	750

The HUD definition of "sheltered" includes ONLY shelters or transitional housing that report in HMIS.

Total Household Types Counted	#	% of Total Households Counted	Sheltered		Unsheltered	
			#	%	#	%
<b>Total Households</b>	<b>1190</b>	<b>100%</b>	<b>614</b>	<b>52%</b>	<b>576</b>	<b>48%</b>
Households without Children	1063	89%	501	42%	562	47%
Households with Children	113	9%	103	9%	10	1%
Households with only Children	14	1%	10	1%	4	0%

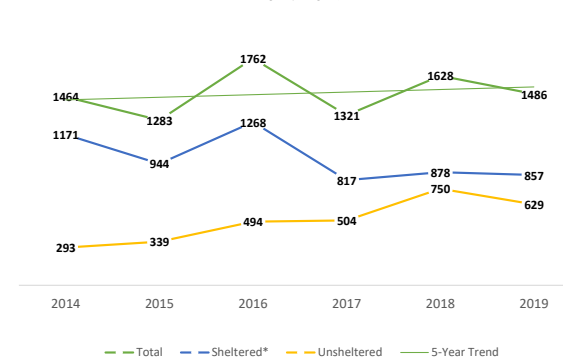
In this table only, percentages represent percent of total households (i.e. not individuals).

Race	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
American Indian/Alaskan Native	63	4%	19	1%	44	3%
Asian	21	1%	14	1%	7	0.5%
Black/African Americans	320	22%	222	15%	98	7%
Multi- Racial	228	15%	145	10%	83	6%
Native Hawaiian/Other Pacific Islander	54	4%	41	3%	13	1%
White	800	54%	416	28%	384	26%
	1486		857		629	

Ethnicity	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Non-Hispanic/Non-Latino	1280	86%	731	49%	549	37%
Hispanic/Latino	206	14%	126	8%	80	5.4%
	1486		857		629	

Age	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Under 18	242	16%	215	14%	27	2%
18-24 yr. old	150	10%	90	6%	60	4%
25-34 yr. old	234	16%	120	8%	114	8%

HOMELESSNESS TRENDS  
2014-2019



\* "Sheltered" includes emergency shelter and transitional housing. With the exception of 2016, the sheltered count has generally declined due to the planned conversion of transitional housing to permanent housing. The increase in 2016 was the result of one-time additional City of Tacoma funds to emergency shelters to operate extra overflow beds through the entire winter season.



35-44 yr. old	298	20%	147	10%	151	10%
45-54 yr. old	254	17%	113	8%	141	9%
55-61 yr. old	188	13%	101	7%	87	6%
62+	120	8%	71	5%	49	3%
	1486		857		629	

Gender	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Female	572	38%	353	24%	219	15%
Male	911	61%	502	34%	409	28%
Transgender	1	0%	1	0%	0	0%
Non-conforming	2	0%	1	0%	1	0%
	1486		857		629	

Where People Stayed the Night Before the Count	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Abandoned Building	51	3%	0	0%	51	3%
Emergency Shelter	696	47%	696	47%	0	0%
Out of Doors (street, tent, etc)	420	28%	0	0%	420	28%
Transitional Housing	161	11%	161	11%	0	0%
Vehicle	158	11%	0	0%	158	11%
Housed	0	0%	0	0%	0	0%
	1486		857		629	

Targeted Populations	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Chronically* Homeless Persons	364	24%	164	11%	200	13%
Victims of Domestic Violence	106	7%	47	3%	59	4%
Veterans	134	9%	67	5%	67	5%
Unaccompanied Youth & Young Adults**	143	10%	81	5%	62	4%

\* HUD defines chronic homelessness as a person who has a disabling condition AND has either been continuously homeless for a year or more, OR has had at least four homeless episodes totaling one year or more in the past three years.

\*\* The County began conducting a targeted youth and young adult count in 2015.

Self-Reported Disabilities	Reported Disabilities		Sheltered		Unsheltered	
	#	% of Total Persons Counted	#	%	#	%
Mental Health	540	36%	307	21%	233	16%
Physical Disability	444	30%	243	16%	201	14%
Chronic Health Condition	443	30%	220	15%	223	15%
Substance Abuse	343	23%	160	11%	183	12%
Developmental Disability	155	10%	85	6%	70	5%
HIV/AIDS	7	0.4%	3	0%	4	0%
	1932		1018		914	

Individuals may offer multiple responses  
Percentages represent percent of total persons and thus may not sum to 100%.

Last Reported Zipcode	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Bonney Lake	10	1%	8	1%	2	0%

Not all individuals answered this question.

	Historical Data				
	2014	2015	2016	2017	2018
Chronically* Homeless Persons	217	213	420	276	403
Victims of Domestic Violence	177	244	487	183	165
Veterans	162	138	190	134	135
Unaccompanied Youth & Young Adults**	NA	89	90	84	96



Buckley	7	0%	0	0%	7	0%
Eatonville	3	0%	2	0%	1	0%
Fife	13	1%	12	1%	1	0%
Fox Island	1	0%	1	0%	0	0%
Gig Harbor	24	2%	7	0%	17	1%
Graham	10	1%	8	1%	2	0%
Joint Base Lewis McChord	2	0%	1	0%	1	0%
King County	73	5%	55	4%	18	1%
Lakebay	17	1%	3	0%	14	1%
Lakewood	136	9%	92	6%	44	3%
Longbranch	5	0%	0	0%	5	0%
Milton	4	0%	2	0%	2	0%
Orting	7	0%	7	0%	0	0%
Outside Pierce	99	7%	52	3%	47	3%
Outside Washington	174	12%	121	8%	53	4%
Parkland	105	7%	73	5%	32	2%
Puyallup	30	2%	17	1%	13	1%
Roy	1	0%	0	0%	1	0%
South Hill	19	1%	6	0%	13	1%
Spanaway	33	2%	27	2%	6	0%
Steilacoom	1	0%	1	0%	0	0%
Sumner	19	1%	11	1%	8	1%
Tacoma	436	29%	316	21%	120	8%
University Place	21	1%	15	1%	6	0%
Unknown	233	16%	20	1%	213	14%
Vaughn	3	0%	0	0%	3	0%
		1486	857	629		

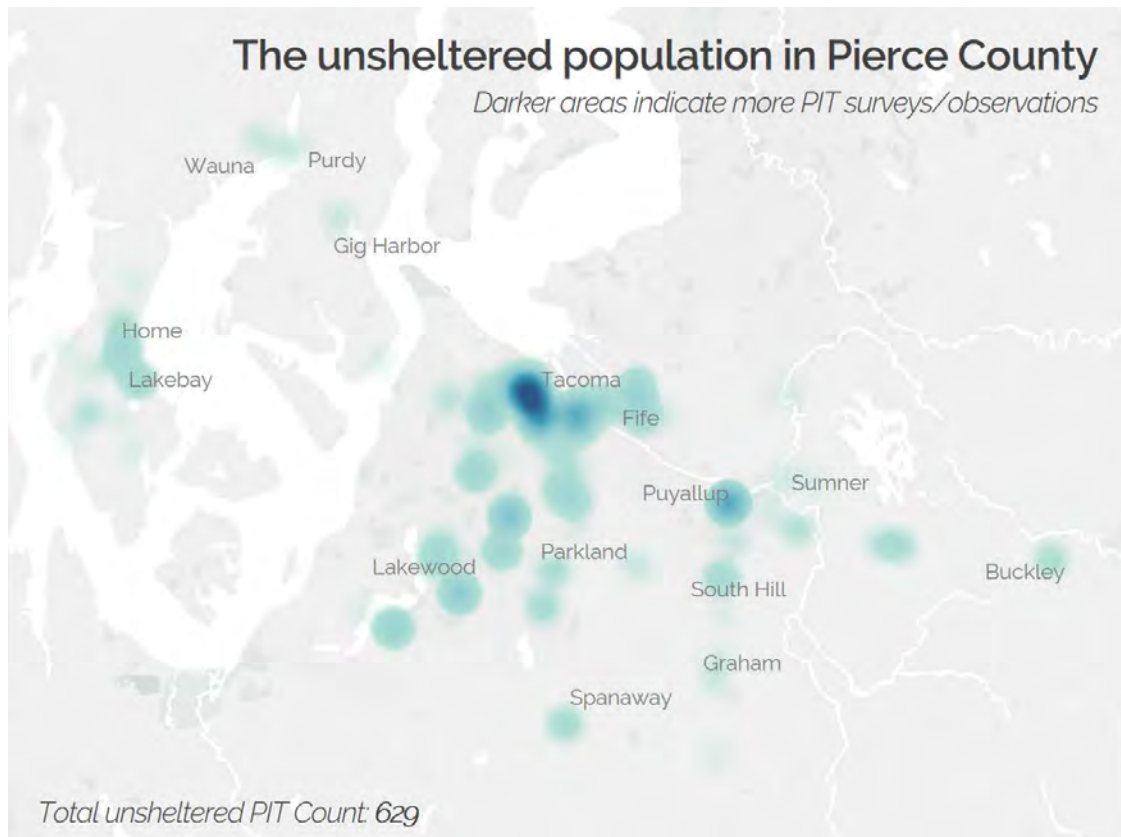
Income Sources	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Alimony	3	0%	2	0%	1	0%
Child Support	21	1%	17	1%	4	0%
General Assistance	68	5%	43	3%	25	2%
Income From Job	139	9%	109	7%	30	2%
No Resource	827	56%	467	31%	360	24%
Other	77	5%	25	2%	52	3%
Pension or Other Retirement	8	1%	4	0%	4	0%
Private Disability	2	0%	0	0%	2	0%
Retirement Income From Social Security	24	2%	15	1%	9	1%
SSDI	96	6%	56	4%	40	3%
SSI	297	20%	164	11%	133	9%
TANF	77	5%	61	4%	16	1%
Unemployment	7	0%	5	0%	2	0%
VA Non-Service	6	0%	5	0%	1	0%
VA Service	29	2%	20	1%	9	1%
Workers Comp	2	0%	0	0%	2	0%
		1683	993	690		

Individuals may have more than one source of income.  
Percentages represent percent of total persons and thus may not sum to 100%.

Primary Reason For Homelessness	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Child Born During Homeless Episode	13	1%	9	1%	4	0%
Criminal activity	42	3%	16	1%	26	2%
Domestic Violence Victim & Fleeing domestic violence	111	7%	90	6%	21	1%
Eviction & Mortgage Foreclosure	156	10%	105	7%	51	3%



Family Crisis/Breakup	154	10%	81	5%	73	5%
Health/safety	58	4%	41	3%	17	1%
Loss of Child Care	3	0%	3	0%	0	0%
Loss of job	116	8%	71	5%	45	3%
Loss of public assistance	6	0%	1	0%	5	0%
Loss of transportation	10	1%	3	0%	7	0%
Medical condition	79	5%	46	3%	33	2%
Mental health	41	3%	29	2%	12	1%
No affordable housing	173	12%	108	7%	65	4%
Other	77	5%	17	1%	60	4%
Release from institution	12	1%	7	0%	5	0%
Substance abuse	75	5%	40	3%	35	2%
Substandard housing	18	1%	10	1%	8	1%
Underemployment/low income	157	11%	125	8%	32	2%
Unknown	184	12%	54	4%	130	9%
Utility Shutoff	1	0%	1	0%	0	0%
	1486		857		629	







## 2020 Homeless Point-In-Time Count Results

Each January, Pierce County surveys people experiencing homelessness. This homeless “point-in-time count” is a one-day snapshot that captures the characteristics and situations of people living here without a home.

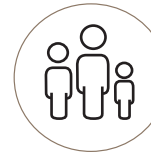
# 1,897

Homeless persons counted



22%

Chronically homeless



7%

Households with children



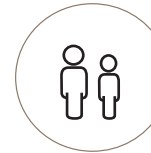
35%

Female



16%

Adult survivors of domestic violence



6%

Unaccompanied youth & young adults



8%

Veterans



46% People of color\*

\*However, people of color make up only 27% of the Pierce County population. (ACS estimate 2018)

## Not all people experiencing homelessness sleep outside



43%

Emergency shelter



17%

Out of doors (street, tent, etc.)



9%

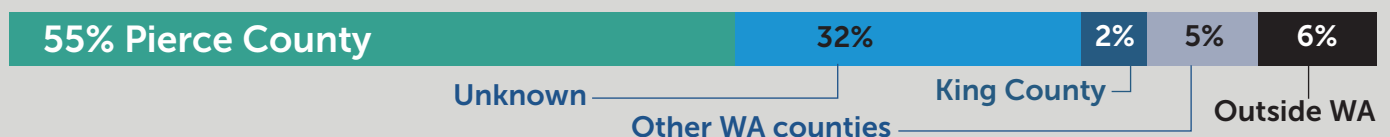
Transitional housing



31%

Vehicle, abandoned building, other

## Most told us they lived in Pierce County before they became homeless

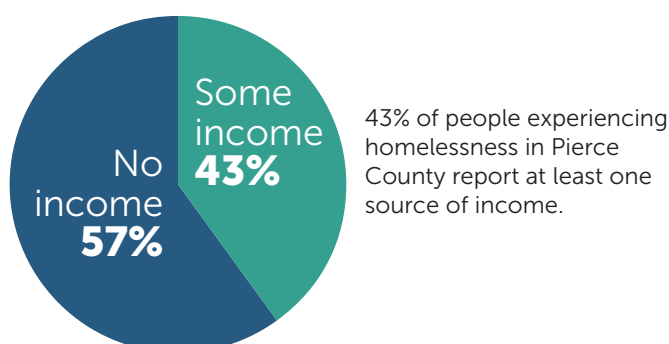


## The main causes of homelessness are economic and housing-related

Survey respondents shared many causes for becoming homeless. These are the top three:

1. Family crisis
2. No affordable housing
3. Domestic violence

## Many people experiencing homelessness have an income



## Mental illness is the most commonly reported disability

Here is the breakdown of the most commonly reported disabilities. Some people reported having multiple disabilities.

### Mental illness

28%

### Physical disability

26%

### Chronic health condition

27%

### Substance use

20%

### Developmental disability

9%

## For the full data set:

Visit [www.piercecountywa.gov/PIT](http://www.piercecountywa.gov/PIT)





## 2020 Homeless Point-In-Time Count Results January 24, 2020

The Homeless Point-In-Time Count (PIT) is a one-day snapshot that captures the characteristics and situations of people living in the County without permanent housing. The Homeless PIT Count includes both sheltered individuals (those sleeping in emergency shelters or transitional housing) and unsheltered individuals (those sleeping outside or living in places that are not meant for human habitation).

The annual Homeless PIT Count occurs sometime in the last 10 days in January. It is carried out by outreach teams and volunteers who interview people using a standard survey (via a mobile app) that asks people where they slept the night before, where their last residence was located, what may have contributed to their loss of housing, and what disabilities the individual may have. It also asks how long the individual has been homeless, age and demographics, and whether the person is a veteran and/or a survivor of domestic violence. In 2020, 336 volunteers participated in the count.

Like all surveys, the Homeless PIT Count has limitations. Results from the count are influenced by the weather, local encampment removal and relocation, availability of overflow shelter beds, the number of volunteers, and the level of engagement of the people volunteers interview. Additionally, Pierce County has implemented several changes to improve the accuracy of the unsheltered count: a) volunteers counted people in known encampments overnight (between 9:00 pm and 3:00 am), whereas most prior counts were only conducted during the day (between 7:00 am and 7:00 pm); b) **volunteers also conducted an observation count of unsheltered people who did not consent to a survey, whereas most prior counts only reflected people who consented to be surveyed**; c) trained outreach teams conducted outreach in December and January to inform homeless persons that the Homeless PIT Count was coming and why participation was important; and d) outreach material was used at shelters, day center, food banks, medical offices, and in encampments to educate the community on the Homeless PIT Count and encourage people to get counted. As a result, comparisons from year to year should be conducted with these changes and limitations in mind.

Total Persons Counted	#	%
<b>All Persons Total</b>	<b>1897</b>	<b>100%</b>
Sheltered	983	52%
Unsheltered	914	48%

The HUD definition of "sheltered" includes ONLY shelters or transitional housing that report in HMIS.

	Historical Data				
	2016	2017	2018	2019	2020
<b>Total</b>	<b>1762</b>	<b>1321</b>	<b>1628</b>	<b>1486</b>	<b>1897</b>
Sheltered*	1268	817	878	857	983
Unsheltered	494	504	750	629	914

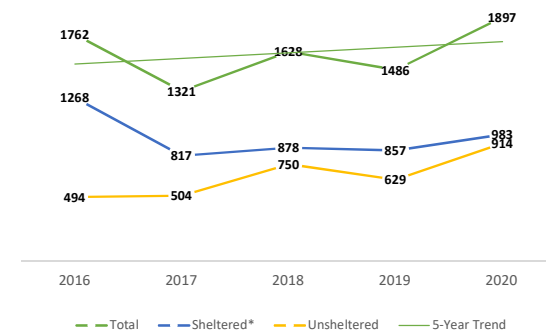
Total Household Types Counted	#	% of Total Households Counted	Sheltered		Unsheltered	
			#	%	#	%
<b>Total Households</b>	<b>1570</b>	<b>100%</b>	<b>749</b>	<b>48%</b>	<b>821</b>	<b>52%</b>
Households without Children	1445	92%	638	41%	807	51%
Households with Children	113	7%	106	7%	7	0%
Households with only Children	12	1%	5	0%	7	0%

In this table only, percentages represent percent of total households (i.e. not individuals).

Race	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
American Indian/Alaskan Native	96	5%	31	2%	65	3%
Asian	27	1%	16	1%	11	0.6%
Black/African Americans	455	24%	261	14%	194	10%
Multi- Racial	227	12%	159	8%	68	4%
Native Hawaiian/Other Pacific Islander	61	3%	47	2%	14	1%
White	1031	54%	469	25%	562	30%

Ethnicity	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Non-Hispanic/Non-Latino	1744	92%	924	49%	820	43%
Hispanic/Latino	153	8%	59	3%	94	5.0%

HOMELESSNESS TRENDS  
2016-2020





Age	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Under 18	226	12%	206	11%	20	1%
18-24 yr. old	146	8%	83	4%	63	3%
25-34 yr. old	333	18%	118	6%	215	11%
35-44 yr. old	426	22%	176	9%	250	13%
45-54 yr. old	338	18%	145	8%	193	10%
55-61 yr. old	261	14%	153	8%	108	6%
62+	167	9%	102	5%	65	3%

Gender	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Female	673	35%	392	21%	281	15%
Male	1150	61%	575	30%	575	30%
Non-conforming	6	0%	0	0%	6	0%
Transgender	2	0%	2	0%	0	0%
Unknown	66	3%	14	1%	52	3%

Not all individuals answered this question.

Where People Stayed the Night Before the Count	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Abandoned Building	18	1%	0	0%	18	1%
Emergency Shelter	816	43%	816	43%	0	0%
Out of Doors (street, tent, etc.)	319	17%	0	0%	319	17%
Transitional Housing	167	9%	167	9%	0	0%
Vehicle	172	9%	0	0%	172	9%
Unknown	405	21%	0	0%	405	21%

Targeted Populations	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Chronically* Homeless Persons	420	22%	223	12%	197	10%
Adult Domestic Violence Survivor	296	16%	236	12%	60	3%
Veterans	161	8%	95	5%	66	3%
Unaccompanied Youth & Young Adults	121	6%	61	3%	60	3%

	Historical Data				
	2016	2017	2018	2019	2020
Chronically* Homeless Persons	420	276	403	364	420
Adult Domestic Violence Survivor	487	183	165	106	296
Veterans	190	134	135	134	161
Unaccompanied Youth & Young Adults	90	84	96	143	121

\* HUD defines chronic homelessness as a person who has a disabling condition AND has either been continuously homeless for a year or more, OR has had at least four homeless episodes totaling one year or more in the past three years.



Self-Reported Disabilities	Reported Disabilities		Sheltered		Unsheltered	
	#	% of Total Persons Counted	#	%	#	%
Mental Health	539	28%	359	19%	180	9%
Physical Disability	491	26%	316	17%	175	9%
Chronic Health Condition	504	27%	298	16%	206	11%
Substance Abuse	385	20%	200	11%	185	10%
Developmental Disability	172	9%	100	5%	72	4%
HIV/AIDS	7	0.4%	2	0%	5	0%

Individuals may offer multiple responses  
Percentages represent percent of total persons and thus may not sum to 100%.

Last Reported Zip code	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Bonney Lake	13	1%	11	1%	2	0%
Buckley	1	0%	1	0%	0	0%
Dupont	1	0%	1	0%	0	0%
Eatonville	1	0%	0	0%	1	0%
Fife	5	0%	5	0%	0	0%
Gig Harbor	7	0%	5	0%	2	0%
Graham	7	0%	3	0%	4	0%
Joint Base Lewis McChord	1	0%	1	0%	0	0%
King County	47	2%	39	2%	8	0%
Lakebay	23	1%	3	0%	20	1%
Lakewood	144	8%	100	5%	44	2%
Long branch	1	0%	1	0%	0	0%
Milton	1	0%	0	0%	1	0%
Orting	4	0%	3	0%	1	0%
Outside Pierce	89	5%	69	4%	20	1%
Outside Washington	118	6%	89	5%	29	2%
Parkland	126	7%	92	5%	34	2%
Puyallup	32	2%	13	1%	19	1%
Roy	3	0%	2	0%	1	0%
South Hill	43	2%	30	2%	13	1%
Spanaway	34	2%	18	1%	16	1%
Steilacoom	5	0%	3	0%	2	0%
Sumner	6	0%	3	0%	3	0%
Tacoma	544	29%	386	20%	158	8%
University Place	28	1%	18	1%	10	1%
Unknown	612	32%	87	5%	525	28%
Vaughn	1	0%	0	0%	1	0%

Not all individuals answered this question.



Income Sources	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Alimony	2	0%	1	0%	1	0%
Child Support	17	1%	13	1%	4	0%
General Assistance	50	3%	24	1%	26	1%
Income From Job	151	8%	104	5%	47	2%
No Resource	760	40%	497	26%	263	14%
Other	102	5%	32	2%	70	4%
Pension or Other Retirement	7	0%	0	0%	7	0%
Private Disability	4	0%	1	0%	3	0%
Retirement Income From Social Security	23	1%	16	1%	7	0%
SSDI	117	6%	73	4%	44	2%
SSI	292	15%	186	10%	106	6%
TANF	74	4%	56	3%	18	1%
Unemployment	3	0%	2	0%	1	0%
VA Non-Service	13	1%	8	0%	5	0%
VA Service	24	1%	17	1%	7	0%
Workers Comp	1	0%	0	0%	1	0%

Individuals may have more than one source of income, total persons and thus may not sum to 100%.

Primary Reason For Homelessness	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Asked to leave home when turned 18	8	0%	8	0%	0	0%
Child Born During Homeless Episode	13	1%	7	0%	6	0%
Criminal activity	46	2%	18	1%	28	1%
Domestic Violence Victim & Fleeing domestic violence	138	7%	113	6%	25	1%
Eviction & Mortgage Foreclosure	113	6%	72	4%	41	2%
Family Crisis/Breakup	178	9%	116	6%	62	3%
Health/safety	74	4%	49	3%	25	1%
Loss of Child Care	1	0%	0	0%	1	0%
Loss of job	131	7%	68	4%	63	3%
Loss of public assistance	12	1%	7	0%	5	0%
Loss of transportation	5	0%	2	0%	3	0%
Medical condition	88	5%	75	4%	13	1%
Mental health	61	3%	38	2%	23	1%
Mortgage Foreclosure	8	0%	2	0%	6	0%
No affordable housing	176	9%	115	6%	61	3%
Release from institution	19	1%	14	1%	5	0%
Substance abuse	91	5%	60	3%	31	2%
Substandard housing	8	0%	8	0%	0	0%
Underemployment/low income	126	7%	98	5%	28	1%
Unknown	600	32%	112	6%	488	26%
Utility Shutoff	1	0%	1	0%	0	0%

Not all individuals answered this question.





## 2021 Homeless Point-In-Time Count Results

Each January, Pierce County surveys people experiencing homelessness. This homeless “point-in-time count” is a one-day snapshot that captures the characteristics and situations of people living here without a home. Due to the ongoing COVID pandemic, there was no unsheltered survey conducted, which caused our 2021 totals to be lower than previous years. This is not an indication of fewer people experiencing homelessness.

**1,005**

Homeless persons counted



**26%**

Chronically homeless



**11%**

Households with children



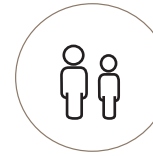
**41%**

Female



**24%**

Adult survivors of domestic violence



**9%**

Unaccompanied youth & young adults



**8%**

Veterans



**50%** People of color\*

\*However, people of color make up only 27% of the Pierce County population. (ACS estimate 2018)

## Not all people experiencing homelessness sleep outside

\*\*No unsheltered surveys were conducted this year due to the pandemic. This is not an indication of fewer people experiencing homelessness.



**89%**

Emergency shelter



**0%**

\*\*Out of doors



**11%**

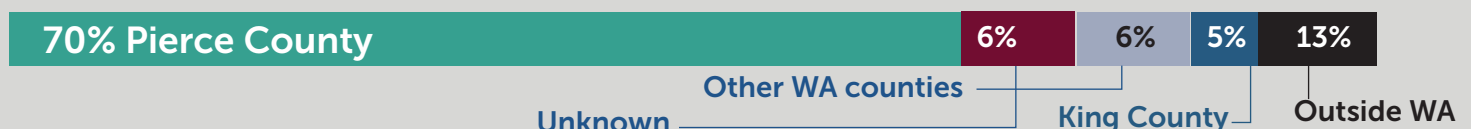
Transitional housing



**0%**

\*\*Vehicle, abandoned building, etc.

## Most told us they lived in Pierce County before they became homeless

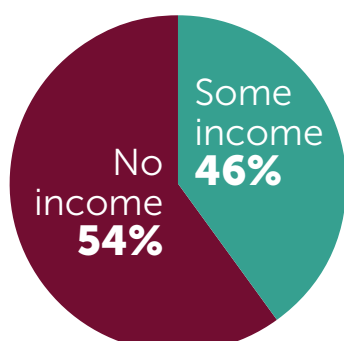


## The main causes of homelessness are economic and housing-related

There are often many causes for becoming homeless. These are the top three most common:

1. Family crisis
2. No affordable housing
3. Loss of job

## Many people experiencing homelessness have an income



46% of people experiencing homelessness in Pierce County report at least one source of income.

## Mental illness is the most commonly reported disability

Here is the breakdown of the most commonly reported disabilities. Some people reported having multiple disabilities.

### Mental illness

**41%**

### Physical disability

**30%**

### Chronic health condition

**30%**

### Substance use

**20%**

### Developmental disability

**11%**

## For the full data set:

Visit [www.piercecountywa.gov/PIT](http://www.piercecountywa.gov/PIT)





## 2021 Homeless Point-In-Time Count Results January 27, 2021

The Homeless Point-In-Time Count (PIT) is a one-day snapshot that captures the characteristics and situations of people living in the County without permanent housing. The Homeless PIT Count includes both sheltered individuals (those sleeping in emergency shelters or transitional housing) and unsheltered individuals (those sleeping outside or living in places that are not meant for human habitation). Due to the ongoing COVID pandemic, there was no unsheltered survey conducted, which caused our 2021 totals to be lower than previous years. This is not an indication of fewer people experiencing homelessness. Unsheltered surveys will resume in 2022.

The annual Homeless PIT Count occurs sometime in the last 10 days in January. Typically, The Homeless PIT Count is carried out by outreach teams and volunteers who interview people using a standard survey (via a mobile app) that asks people where they slept the night before, where their last residence was located, what may have contributed to their loss of housing, and what disabilities the individual may have. It also asks how long the individual has been homeless, age and demographics, and whether the person is a veteran and/or a survivor of domestic violence.

Like all surveys, the Homeless PIT Count has limitations. Results from the count are influenced by the weather, local encampment removal and relocation, availability of overflow shelter beds, the number of volunteers, and the level of engagement of the people volunteers interview. Due to COVID restrictions and with caution for volunteers, people experiencing homelessness, and outreach staff, the unsheltered count was not completed this year but will resume in 2022 for both the sheltered and unsheltered count.

Total Persons Counted	#	%
<b>All Persons Total</b>	<b>1005</b>	<b>100%</b>
Sheltered	1,005	100%
Unsheltered	0	0%

The HUD definition of "sheltered" includes ONLY shelters or transitional housing that report in HMIS.

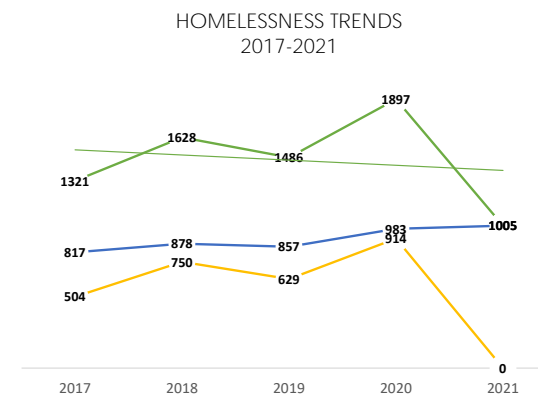
	Historical Data				
	2017	2018	2019	2020	2021
<b>Total</b>	<b>1321</b>	<b>1628</b>	<b>1486</b>	<b>1897</b>	<b>1005</b>
Sheltered*	817	878	857	983	1005
Unsheltered	504	750	629	914	0

Total Household Types Counted	#	% of Total Households Counted	Sheltered		Unsheltered	
			#	%	#	%
<b>Total Households</b>	<b>745</b>	<b>100%</b>	<b>745</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Households without Children	651	87%	651	87%	0	0%
Households with Children	83	11%	83	11%	0	0%
Households with only Children	11	2%	11	1%	0	0%

In this table only, percentages represent percent of total households (i.e. not individuals).

Race	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
American Indian/Alaskan Native	44	4%	44	4%	0	0%
Asian	12	1%	12	1%	0	0.0%
Black/African Americans	211	21%	211	21%	0	0%
Multi- Racial	181	18%	181	18%	0	0%
Native Hawaiian/Other Pacific Islander	56	6%	56	6%	0	0%
White	501	50%	501	50%	0	0%

Ethnicity	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%





Non-Hispanic/Non-Latino	856	85%	856	85%	0	0%
Hispanic/Latino	149	15%	149	15%	0	0.0%

— Total — Sheltered\* — Unsheltered — 5-Year Trend

Age	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Under 18	223	22%	223	22%	0	0%
18-24 yr. old	70	7%	70	7%	0	0%
25-34 yr. old	138	14%	138	14%	0	0%
35-44 yr. old	196	19%	196	19%	0	0%
45-54 yr. old	130	13%	130	13%	0	0%
55-61 yr. old	162	16%	162	16%	0	0%
62+	86	9%	86	9%	0	0%

Gender	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Female	412	41%	412	41%	0	0%
Male	579	58%	579	58%	0	0%
Non-conforming	2	0%	2	0%	0	0%
Transgender	4	0%	4	0%	0	0%
Unknown	8	1%	8	1%	0	0%

Not all individuals answered this question.

Where People Stayed the Night Before the Count	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Abandoned Building	0	0%	0	0%	0	0%
Emergency Shelter	898	89%	898	89%	0	0%
Out of Doors (street, tent, etc.)	0	0%	0	0%	0	0%
Transitional Housing	107	11%	107	11%	0	0%
Vehicle	0	0%	0	0%	0	0%
Unknown	0	0%	0	0%	0	0%

Targeted Populations	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Chronically* Homeless Persons	265	26%	265	26%	0	0%
Adult Domestic Violence Survivor	243	24%	243	24%	0	0%
Veterans	84	8%	84	8%	0	0%
Unaccompanied Youth & Young Adults	92	9%	92	9%	0	0%

Historical Data					
	2017	2018	2019	2020	2020
Chronically* Homeless Persons	276	403	364	223	265
Adult Domestic Violence Survivor	183	165	106	236	243
Veterans	134	135	134	95	84
Unaccompanied Youth & Young Adults	84	96	143	61	92

\* HUD defines chronic homelessness as a person who has a disabling condition AND has either been continuously homeless for a year or more, OR has had at least four homeless episodes totaling one year or more in the past three years.



Self-Reported Disabilities	Reported Disabilities		Sheltered		Unsheltered	
	#	% of Total Persons Counted	#	%	#	%
Mental Health	415	41%	415	41%	0	0%
Physical Disability	298	30%	298	30%	0	0%
Chronic Health Condition	300	30%	300	30%	0	0%
Substance Abuse	205	20%	205	20%	0	0%
Developmental Disability	110	11%	110	11%	0	0%
HIV/AIDS	8	0.8%	8	1%	0	0%

Individuals may offer multiple responses  
Percentages represent percent of total persons and thus may not sum to 100%.

Last Reported Zip code	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Bonney Lake	4	0%	4	0%	0	0%
Buckley	2	0%	2	0%	0	0%
Carbonado	2	0%	2	0%	0	0%
Eatonville	1	0%	1	0%	0	0%
Fife	5	0%	5	0%	0	0%
Gig Harbor	3	0%	3	0%	0	0%
Graham	6	1%	6	1%	0	0%
Joint Base Lewis McChord	0	0%	0	0%	0	0%
Kapowsin	1	0%	1	0%	0	0%
King County	46	5%	46	5%	0	0%
Lakewood	74	7%	74	7%	0	0%
Milton	4	0%	4	0%	0	0%
Orting	3	0%	3	0%	0	0%
Outside Pierce	61	6%	61	6%	0	0%
Outside Washington	128	13%	128	13%	0	0%
Parkland	96	10%	96	10%	0	0%
Puyallup	16	2%	16	2%	0	0%
Roy	2	0%	2	0%	0	0%
South Hill	31	3%	31	3%	0	0%
Spanaway	31	3%	31	3%	0	0%
Stellacoom	2	0%	2	0%	0	0%
Sumner	5	0%	5	0%	0	0%
Tacoma	405	40%	405	40%	0	0%
University Place	17	2%	17	2%	0	0%
Unknown	59	6%	59	6%	0	0%
Wilkeson	1	0%	1	0%	0	0%

Not all individuals answered this question.



Income Sources	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Alimony	0	0%	0	0%	0	0%
Child Support	11	1%	11	1%	0	0%
General Assistance	27	3%	27	3%	0	0%
Income From Job	101	10%	101	10%	0	0%
No Resource	547	54%	547	54%	0	0%
Other	26	3%	26	3%	0	0%
Pension or Other Retirement	1	0%	1	0%	0	0%
Private Disability	0	0%	0	0%	0	0%
Retirement Income From Social Security	11	1%	11	1%	0	0%
SSDI	79	8%	79	8%	0	0%
SSI	161	16%	161	16%	0	0%
TANF	71	7%	71	7%	0	0%
Unemployment	27	3%	27	3%	0	0%
VA Non-Service	9	1%	9	1%	0	0%
VA Service	16	2%	16	2%	0	0%
Workers Comp	11	1%	11	1%	0	0%

Individuals may have more than one source of income. total persons and thus may not sum to 100%.

Primary Reason For Homelessness	#	% of Total Persons Counted	Sheltered		Unsheltered	
			#	%	#	%
Asked to leave home when turned 18	8	1%	8	1%	0	0%
Child Born During Homeless Episode	13	1%	13	1%	0	0%
Child reunifying with homeless family	8	1%	7	1%	1	0%
Criminal activity	18	2%	18	2%	0	0%
Domestic Violence Victim & Fleeing domestic violence	90	9%	90	9%	0	0%
Eviction & Mortgage Foreclosure	84	8%	84	8%	0	0%
Family Crisis/Breakup	148	15%	148	15%	0	0%
Health/safety	61	6%	61	6%	0	0%
Loss of Child Care	0	0%	0	0%	0	0%
Loss of job	113	11%	113	11%	0	0%
Loss of public assistance	7	1%	7	1%	0	0%
Loss of transportation	6	1%	6	1%	0	0%
Medical condition	49	5%	49	5%	0	0%

Not all individuals answered this question.



Mental health	42	4%	42	4%	0	0%
Mortgage Foreclosure	3	0%	3	0%	0	0%
No affordable housing	114	11%	114	11%	0	0%
Release from institution	10	1%	10	1%	0	0%
Substance abuse	64	6%	64	6%	0	0%
Substandard housing	4	0%	4	0%	0	0%
Underemployment/low income	102	10%	102	10%	0	0%
Unknown	61	6%	61	6%	0	0%
Utility Shutoff	1	0%	1	0%	0	0%

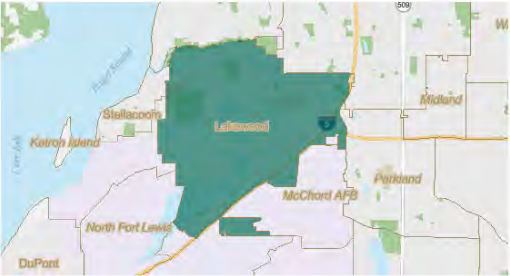


Lakewood city, Washington

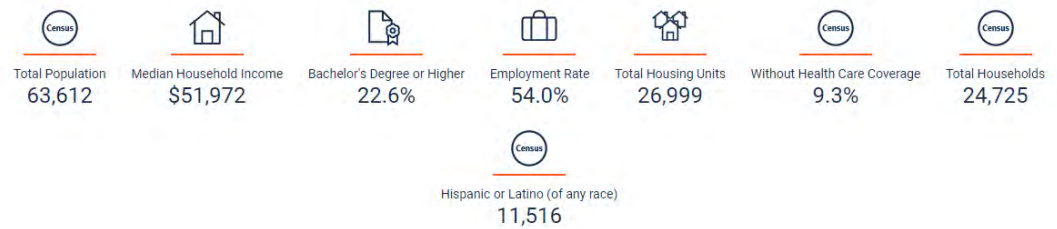
- Populations and People
- Income and Poverty
- Education
- Employment
- Housing
- Health
- Families and Living Arrangements
- Government
- Race and Ethnicity

Lakewood city, Washington

Place in Washington



Lakewood city, Washington is a city, town, place equivalent, and township located in Washington. Lakewood city, Washington has a land area of 17.1 square miles.



<https://data.census.gov/cedsci/profile?g=1600000US5338038>

Government

Redistricting

63,612

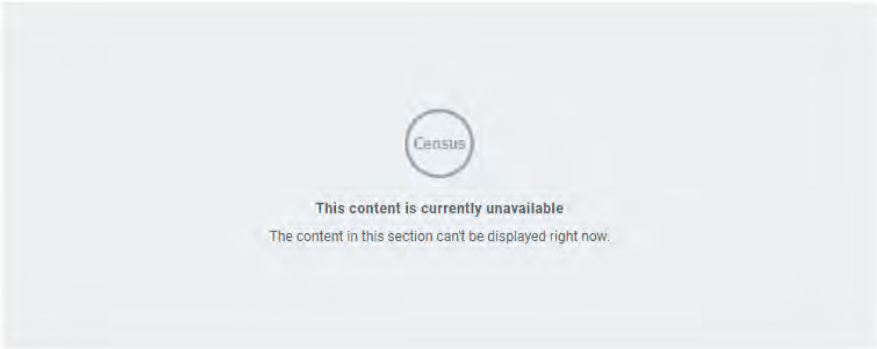
Total Population in Lakewood city, Washington

7,705,281

Total Population in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census





## Populations and People

### Age and Sex

35.7 +/- 1.0

Median Age in Lakewood city, Washington

37.9 +/- 0.1

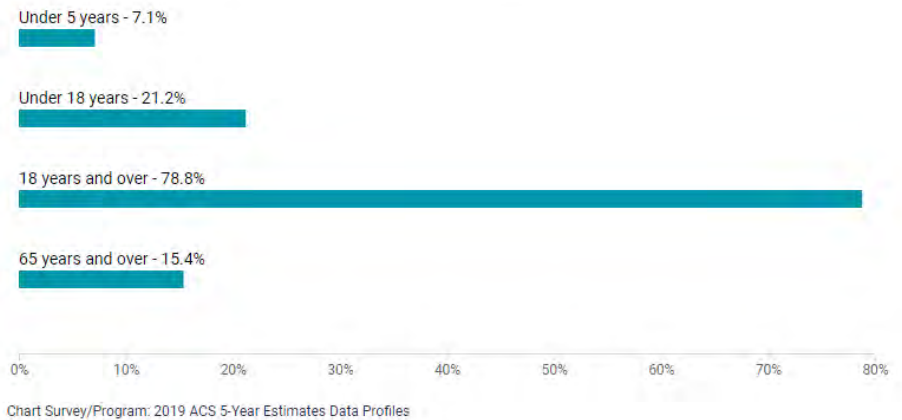
Median Age in Washington

Table:  
S0101

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

### Population by Age Range in Lakewood city, Washington

[VIEW OPTIONS](#) ▾



### Ancestry

2.2% +/- 0.5%

Italian Ancestry in Lakewood city, Washington

3.3% +/- 0.1%

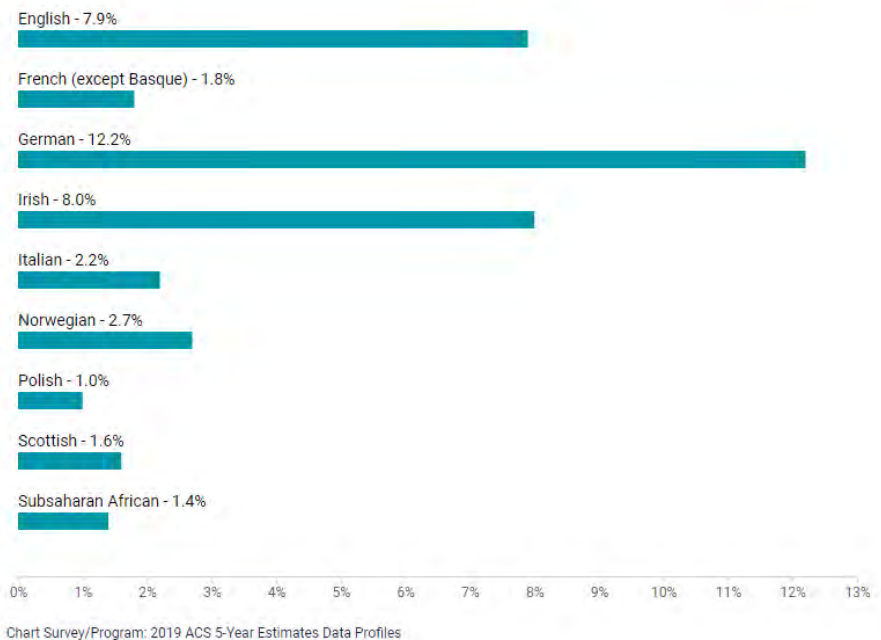
Italian Ancestry in Washington

Table:  
DP02

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

### Ancestry in Lakewood city, Washington

[VIEW OPTIONS](#) ▾





## Language Spoken at Home

22.0% +/- 1.6%

Language Other Than English Spoken at Home in Lakewood city, Washington

20.5% +/- 0.4%

Language Other Than English Spoken at Home in Washington

Table:

S1601

Table Survey/Program:

2019 American Community Survey 5-Year Estimates

## Types of Language Spoken at Home in Lakewood city, Washington

[VIEW OPTIONS](#)

English only - 78.0%

Spanish - 10.4%

Other Indo-European languages - 1.5%

Asian and Pacific Islander languages - 8.7%

Other languages - 1.3%

0% 10% 20% 30% 40% 50% 60% 70% 80%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

## Native and Foreign Born

15.7 +/- 1.2

Foreign Born population in Lakewood city, Washington

14.9 +/- 0.3

Foreign Born population in Washington

Table:

DP02

Table Survey/Program:

2019 American Community Survey 5-Year Estimates

## Foreign Born Population in Lakewood city, Washington

[VIEW OPTIONS](#)

Naturalized U.S. citizen - 58.4%

Not a U.S. citizen - 41.6%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50% 55% 60%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

## Older Population

15.4% +/- 1.0%

65 Years and Older in Lakewood city, Washington

15.9% +/- 0.1%

65 Years and Older in Washington

Table:

DP05

Table Survey/Program:

2019 American Community Survey 5-Year Estimates

## Older Population by Age in Lakewood city, Washington

[VIEW OPTIONS](#)

65 to 74 years - 8.9%

75 to 84 years - 4.7%

85 years and over - 1.8%

0% 1% 2% 3% 4% 5% 6% 7% 8% 9%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles



## Residential Mobility

4.1% +/- 0.9%

Moved From a Different State in the Last Year in Lakewood city, Washington

3.1% +/- 0.2%

Moved From a Different State in the Last Year in Washington

Table:  
S0701

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Residential Mobility in the Last Year in Lakewood city, Washington

[VIEW OPTIONS](#)

Moved within the Same County - 11.7%

Moved from a Different County, Same State - 3.9%

Moved from a Different State - 4.1%

Moved from Abroad - 0.5%

0% 1% 2% 3% 4% 5% 6% 7% 8% 9% 10% 11% 12%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

## Veterans

18.7% +/- 1.3%

Veterans in Lakewood city, Washington

8.9% +/- 0.2%

Veterans in Washington

Table:  
S2101

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Veterans by Sex in Lakewood city, Washington

[VIEW OPTIONS](#)

Male - 84.3%

Female - 15.7%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

## Income and Poverty

### Income and Earnings

\$51,972 +/- \$1,502

Median Household Income in Lakewood city, Washington

\$78,687 +/- \$923

Median Household Income in Washington

Table:  
S1901

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

### Median Income by Types of Families in Lakewood city, Washington

[VIEW OPTIONS](#)

Families - \$62,049

Married-couple families - \$75,800

Nonfamily households - \$33,631

\$0 \$10K \$20K \$30K \$40K \$50K \$60K \$70K \$80K

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables



## Poverty

**16.6%** +/- 1.8%

Poverty, All people in Lakewood city, Washington

**9.8%** +/- 0.3%

Poverty, All people in Washington

Table:  
S1701

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

## Poverty by Age in Lakewood city, Washington

[VIEW OPTIONS](#)

Under 18 years - 24.3%

18 to 64 years - 16.0%

65 years and over - 8.3%

0% 2% 4% 6% 8% 10% 12% 14% 16% 18% 20% 22% 24% 26%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

## Education

### Educational Attainment

**22.6%** +/- 1.6%

Bachelor's Degree or Higher in Lakewood city, Washington

**37.0%** +/- 0.3%

Bachelor's Degree or Higher in Washington

Table:  
S1501

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

### Education Attainment (Population 25 Years and Older) in Lakewood city, Washington

[VIEW OPTIONS](#)

High School or equivalent degree - 28.6%

Some college, no degree - 25.5%

Associate's degree - 12.3%

Bachelor's degree - 14.5%

Graduate or professional degree - 8.0%

0% 2% 4% 6% 8% 10% 12% 14% 16% 18% 20% 22% 24% 26% 28% 30%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

### School Enrollment

**68.4%** +/- 2.9%

School Enrolled Population Enrolled in Kindergarten to 12th Grade in Lakewood city, Washington

**67.7%** +/- 0.6%

School Enrolled Population Enrolled in Kindergarten to 12th Grade in Washington

Table:  
S1401

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

### School Enrollment (Population 3 Years and Over Enrolled in School) in Lakewood city, Washington

[VIEW OPTIONS](#)

Nursery school, preschool - 2.8%

Kindergarten to 12th grade - 68.4%

College, undergraduate - 25.7%

Graduate, professional school - 3.2%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50% 55% 60% 65% 70%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables



## Employment

### Class of Worker

22.8% +/- 2.3%

Local, State, & Federal Government Workers in Lakewood city, Washington

15.5% +/- 0.3%

Local, State, & Federal Government Workers in Washington

Table:  
S2406

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

### Class of Worker in Lakewood city, Washington

[VIEW OPTIONS](#)

Employee of private company workers - 65.2%

Self-employed in own incorporated business workers - 1.8%

Private not-for-profit wage and salary workers - 6.0%

Local, state, and federal government workers - 22.8%

Self-employed in own not incorporated business workers and unpaid family workers - 4.2%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50% 55% 60% 65% 70%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

### Commuting

29.9 +/- 1.4

Average travel time to work (in minutes) in Lakewood city, Washington

28.8 +/- 0.2

Average travel time to work (in minutes) in Washington

Table:  
S0801

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

### Means of Transportation to Work (Workers 16 Years and Over) in...

[VIEW OPTIONS](#)

Drove alone - 77.9%

Carpool - 10.6%

Public transportation - 5.3%

Walked - 2.0%

Other means - 0.8%

Worked at home - 3.4%

0% 10% 20% 30% 40% 50% 60% 70% 80%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

### Employment and Labor Force ...

54.0% +/- 1.5%

Employment Rate in Lakewood city, Washington

61.2% +/- 0.4%

Employment Rate in Washington

Table:  
DP03

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

### Employment Rate in Lakewood city, Washington

[VIEW OPTIONS](#)

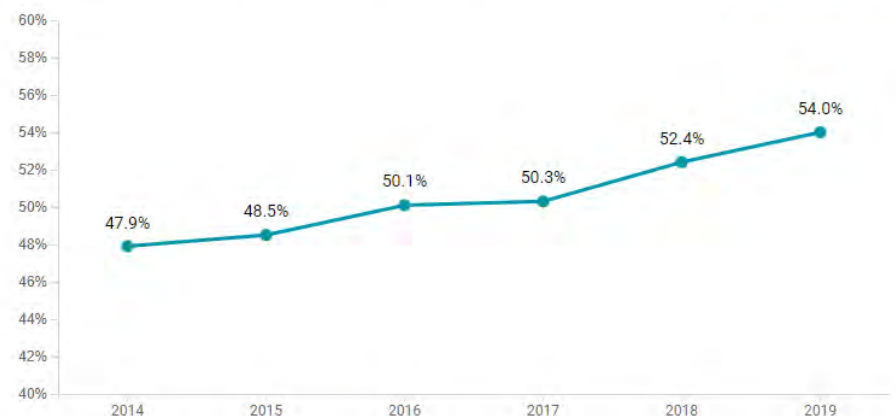


Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles



## Industry

22.6% +/- 30.2%

Females in Agriculture, Forestry, Fishing and Hunting in Lakewood city, Washington

25.5% +/- 3.1%

Females in Agriculture, Forestry, Fishing and Hunting in Washington

Table:  
S2404

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

## Industry for the Civilian Employed Population 16 Years and Over ...

[VIEW OPTIONS](#) ▾

Agriculture, Forestry, Fishing and Hunting, and Mining - 0.6%

Construction - 8.2%

Manufacturing - 6.6%

Wholesale Trade - 2.6%

Retail Trade - 11.5%

Transportation and warehousing, and utilities - 7.0%

Information - 0.9%

Finance and insurance, and real estate and rental and leasing - 4.3%

Professional, scientific, and management, and administrative and waste management services - 9.3%

Educational services, and health care and social assistance - 23.7%

Arts, entertainment, and recreation, and accommodation and food services - 10.9%

Other services, except public administration - 5.7%

Public administration - 8.7%

## Occupation

21.7% +/- 9.4%

Females in Computer, Engineering and Science Occupations in Lakewood city, Washington

24.8% +/- 1.1%

Females in Computer, Engineering and Science Occupations in Washington

Table:  
S2401

Table Survey/Program:  
2019 American Community Survey 5-Year  
Estimates

## Occupation for the Civilian Employed Population 16 Years and O...

[VIEW OPTIONS](#) ▾

Management, business, science, and arts occupations - 8,201

Service occupations - 5,900

Sales and office occupations - 5,277

Natural resources, construction, and maintenance occupations - 2,932

Production, transportation, and material moving occupations - 3,936

**Service occupations**  
5,900

0 1K 2K 3K 4K 5K 6K 7K 8K 9K

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables



Work Experience

39.3 +/- 0.7

Mean Usual Hours Worked for Workers in Lakewood city, Washington

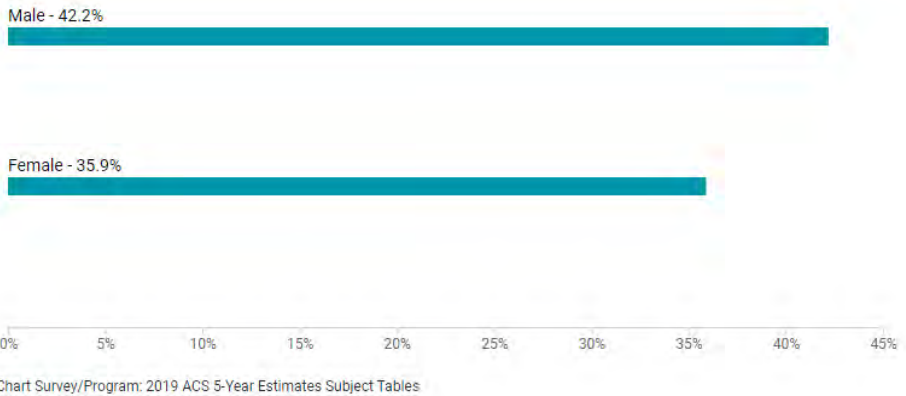
38.7 +/- 0.1

Mean Usual Hours Worked for Workers in Washington

Table: S2303  
Table Survey/Program: 2019 American Community Survey 5-Year Estimates

Mean Usual Hours Worked for Workers by Sex in Lakewood city, ...

VIEW OPTIONS



Housing

Financial Characteristics

\$1,034 +/- \$32

Median Gross Rent in Lakewood city, Washington

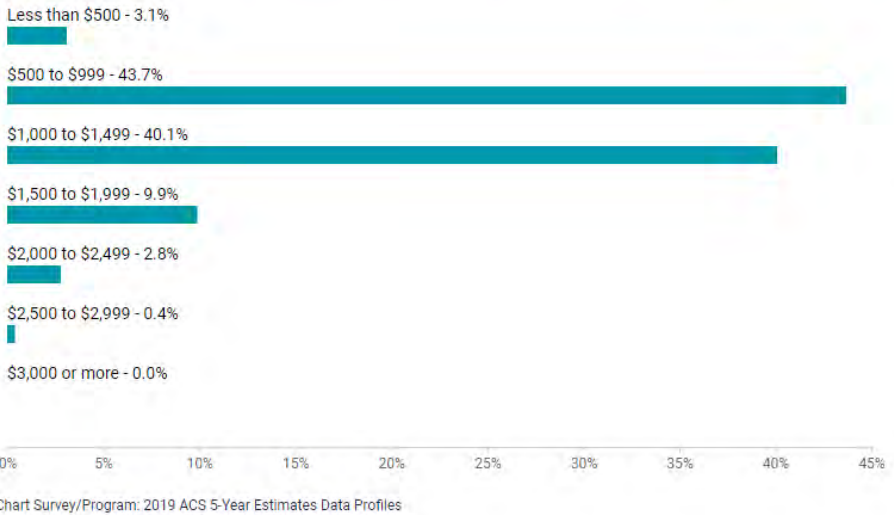
\$1,359 +/- \$14

Median Gross Rent in Washington

Table: DP04  
Table Survey/Program: 2019 American Community Survey 5-Year Estimates

Occupied Units Paying Rent in Lakewood city, Washington

VIEW OPTIONS



Homeownership Rate


43.4% +/- 1.8%

Homeownership Rate in Lakewood city, Washington

63.1% +/- 0.4%

Homeownership Rate in Washington

Table: DP04  
Table Survey/Program: 2019 American Community Survey 5-Year Estimates



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## Occupancy Characteristics

25,506

Occupied Housing Units in Lakewood city, Washington

2,974,692

Occupied Housing Units in Washington

Table:  
H1

Table Survey/Program:  
2020 Decennial Census

## Occupied Housing Units by Types of Households in Lakewood ci...

[VIEW OPTIONS](#)

Married-couple family - 6,075

Male householder, no spouse present - 279

Female householder, no spouse present - 993

0 500 1K 1.5K 2K 2.5K 3K 3.5K 4K 4.5K 5K 5.5K 6K 6.5K

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

## Owner/Renter (Householder) ...

14.9% +/- 1.7%

Moved 2017 or Later Into Occupied Housing Unit in Lakewood city, Washington

32.6% +/- 0.5%

Moved 2017 or Later Into Occupied Housing Unit in Washington

Table:  
S2502

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Moved 2017 or Later Into Occupied Housing Unit by Type of Unit...

[VIEW OPTIONS](#)

Owner-occupied housing units - 7.6%

Renter-occupied housing units - 20.4%

0% 2% 4% 6% 8% 10% 12% 14% 16% 18% 20% 22%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

## Physical Characteristics

15.1% +/- 1.2%

Occupied Housing Units with Four or More Bedrooms in Lakewood city, Washington

23.1% +/- 0.4%

Occupied Housing Units with Four or More Bedrooms in Washington

Table:  
S2504

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Bedrooms in Occupied Housing Units in Lakewood city, Washing...

[VIEW OPTIONS](#)

No Bedroom - 2.8%

1 Bedroom - 21.1%

2 or 3 Bedrooms - 61.0%

4 or More Bedrooms - 15.1%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50% 55% 60% 65%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables



## Vacancy

1,493

Vacant Housing Units in Lakewood city, Washington

227,549

Vacant Housing Units in Washington

Table:  
H1

Table Survey/Program:  
2020 Decennial Census

## Vacancy Rate in Lakewood city, Washington

[VIEW OPTIONS](#) ▾

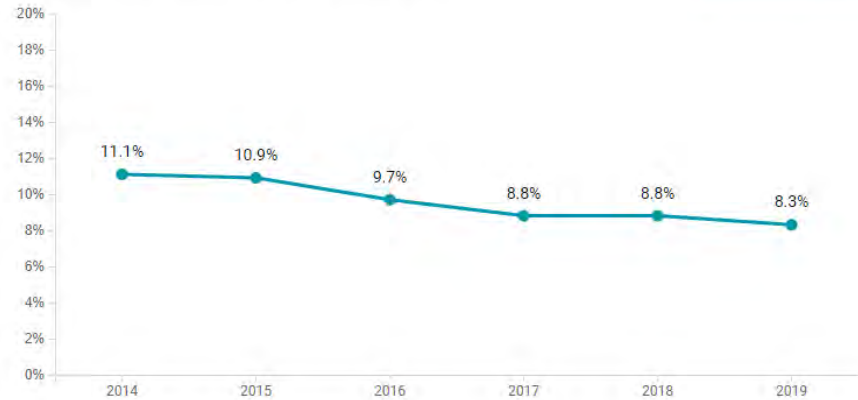


Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

## Health

### Disability

17.1% +/- 1.4%

Disabled Population in Lakewood city, Washington

12.7% +/- 0.2%

Disabled Population in Washington

Table:  
S1810

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

### Types of Disabilities in Lakewood city, Washington

[VIEW OPTIONS](#) ▾

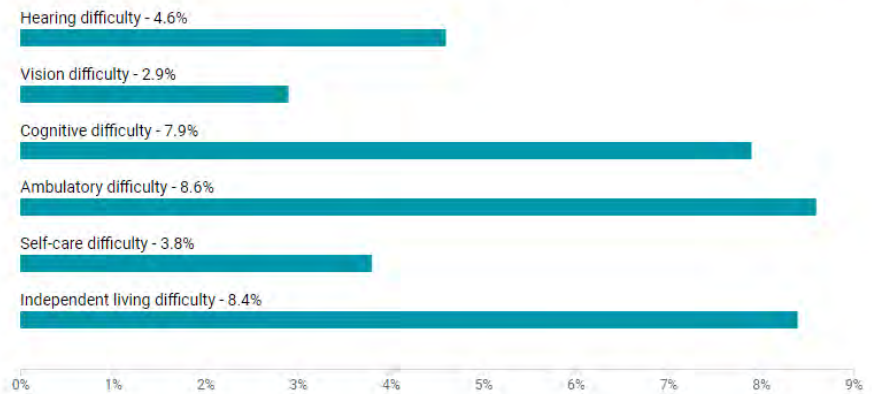


Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

### Fertility

14,190 +/- 606

Women 15 to 50 years old in Lakewood city, Washington

1,803,317 +/- 4,892

Women 15 to 50 years old in Washington

Table:  
S1301

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

### Women with Births in the Past 12 Months in Lakewood city, Was...

[VIEW OPTIONS](#) ▾

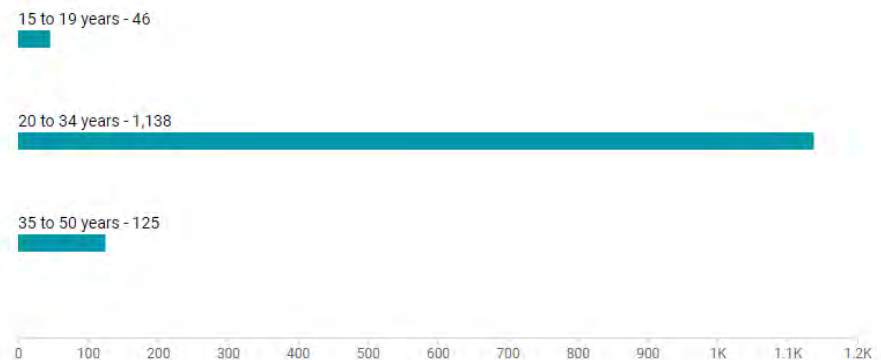


Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables



# Families and Living Arrangements

## Children

21.2% +/- 1.0%

Under 18 years old in Lakewood city, Washington

21.8% +/- 0.1%

Under 18 years old in Washington

Table:  
DP05

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Children Under 18 by Age Range in Lakewood city, Washington

[VIEW OPTIONS](#)

Under 5 years - 7.1%

5 to 14 years - 11.2%

15 to 17 years - 3.0%

0% 1% 2% 3% 4% 5% 6% 7% 8% 9% 10% 11% 12%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables

## Families and Household Chara...

2.97 +/- 0.06

Average Family Size in Lakewood city, Washington

3.09 +/- 0.02

Average Family Size in Washington

Table:  
S1101

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Total Households by Type of Households in Lakewood city, Wash...

[VIEW OPTIONS](#)

Married-couple family household - 41.8%

Male householder, no spouse present, family household - 21.8%

Female householder, no spouse present, family household - 28.7%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

Chart Survey/Program: 2019 ACS 5-Year Estimates Data Profiles

## Marital Status and Marital Hist...

30.8% +/- 1.6%

Never Married in Lakewood city, Washington

31.6% +/- 0.4%

Never Married in Washington

Table:  
S1201

Table Survey/Program:  
2019 American Community Survey 5-Year Estimates

## Marital Status in Lakewood city, Washington

[VIEW OPTIONS](#)

Now Married (except separated) - 46.2%

Widowed - 5.6%

Divorced - 14.3%

Separated - 3.1%

Never Married - 30.8%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50%

Chart Survey/Program: 2019 ACS 5-Year Estimates Subject Tables



Race and Ethnicity

American Indian and Alaska N...

841

American Indian and Alaska Native alone in Lakewood city, Washington

121,468

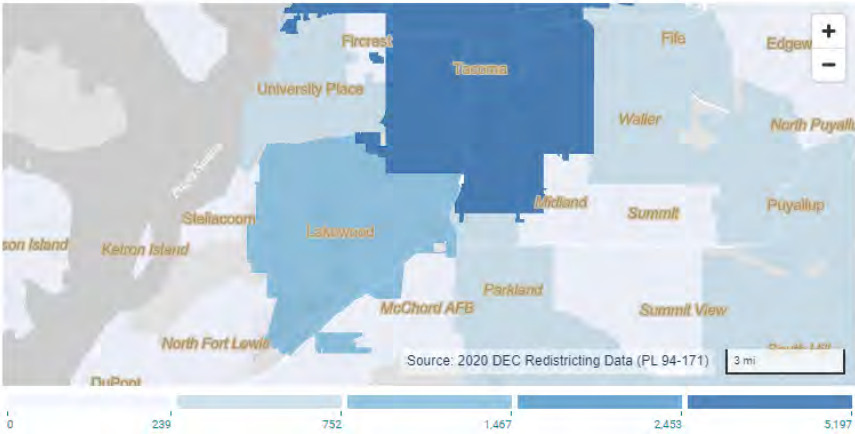
American Indian and Alaska Native alone in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

American Indian and Alaska Native alone for All Places in Washi...

VIEW OPTIONS



Asian

5,807

Asian alone in Lakewood city, Washington

730,596

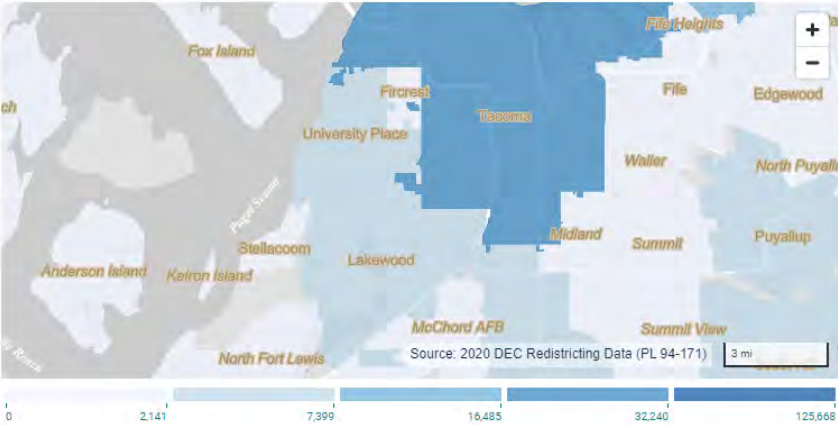
Asian alone in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

Asian alone for All Places in Washington

VIEW OPTIONS



Black or African American

8,335

Black or African American alone in Lakewood city, Washington

307,565

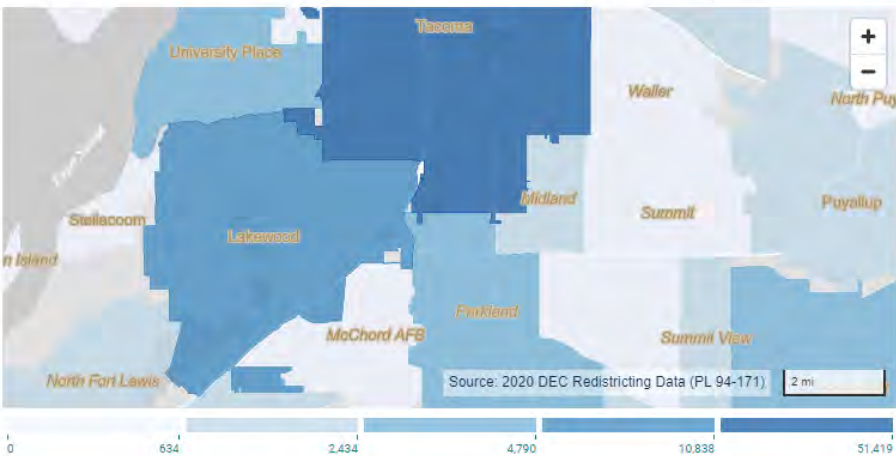
Black or African American alone in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

Black or African American alone for All Places in Washington

VIEW OPTIONS





## Hispanic or Latino

11,516

Hispanic or Latino (of any race) in Lakewood city, Washington

1,059,213

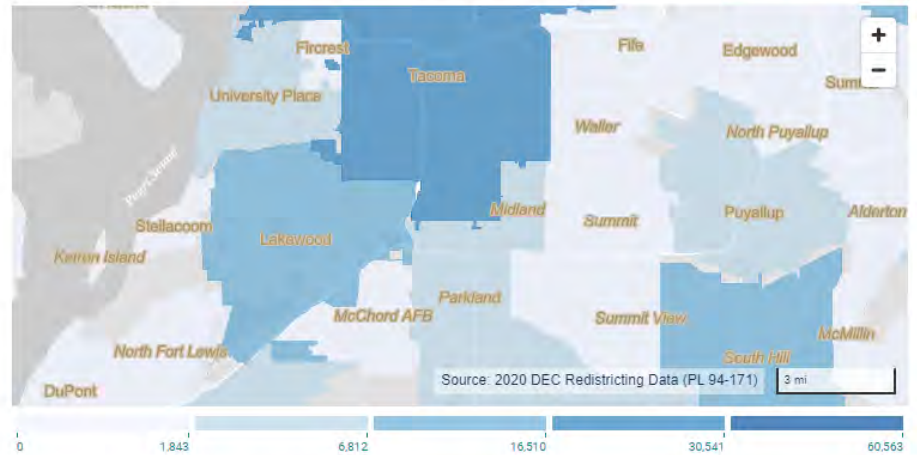
Hispanic or Latino (of any race) in Washington

Table:  
P2

Table Survey/Program:  
2020 Decennial Census

## Hispanic or Latino (of any race) for All Places in Washington

[VIEW OPTIONS](#) ▾



## Native Hawaiian and Pacific Is...

2,512

Native Hawaiian and Other Pacific Islander alone in Lakewood city, Washington

64,933

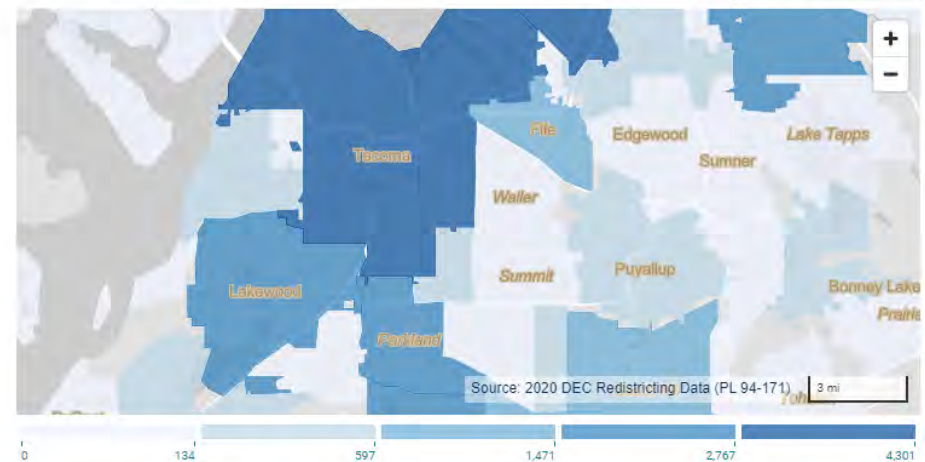
Native Hawaiian and Other Pacific Islander alone in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

## Native Hawaiian and Other Pacific Islander alone for All Places i...

[VIEW OPTIONS](#) ▾



## Not Hispanic or Latino

29,002

White alone, not Hispanic or Latino in Lakewood city, Washington

4,918,820

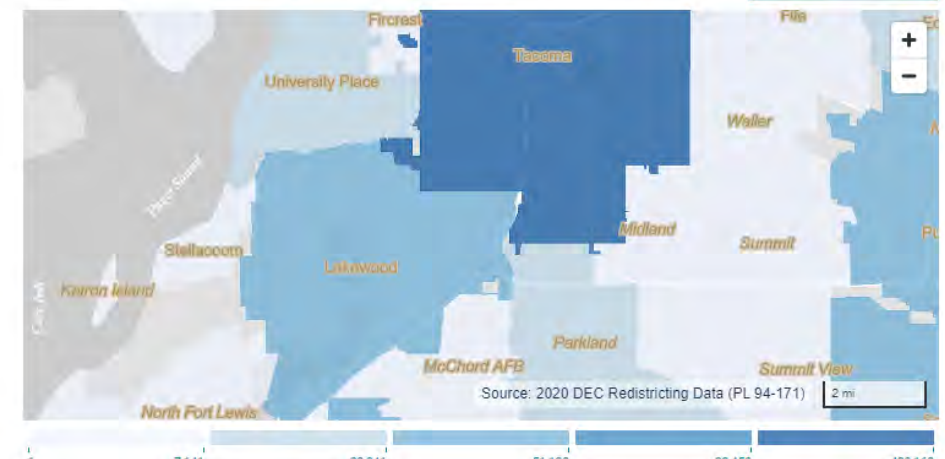
White alone, not Hispanic or Latino in Washington

Table:  
P2

Table Survey/Program:  
2020 Decennial Census

## White alone, not Hispanic or Latino for All Places in Washington

[VIEW OPTIONS](#) ▾





Some Other Race

5,737

Some Other Race alone in Lakewood city, Washington

513,140

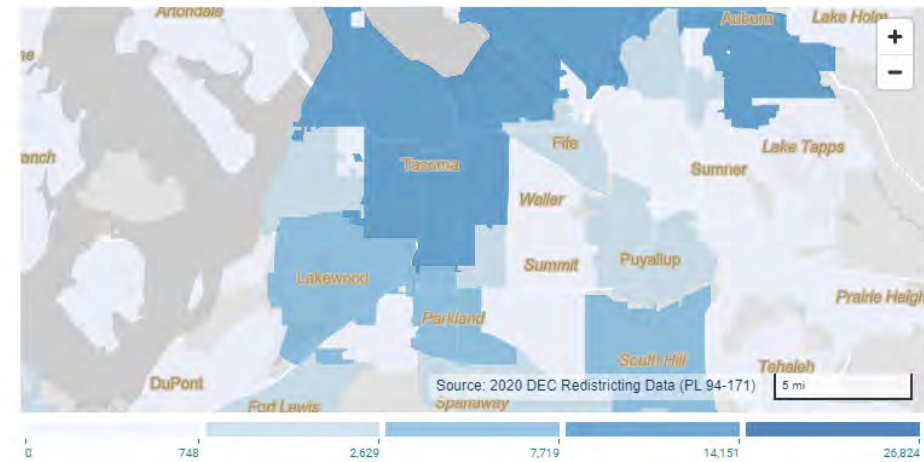
Some Other Race alone in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

Some Other Race alone for All Places in Washington

VIEW OPTIONS



Two or More Races

9,093

Two or More Races in Lakewood city, Washington

836,659

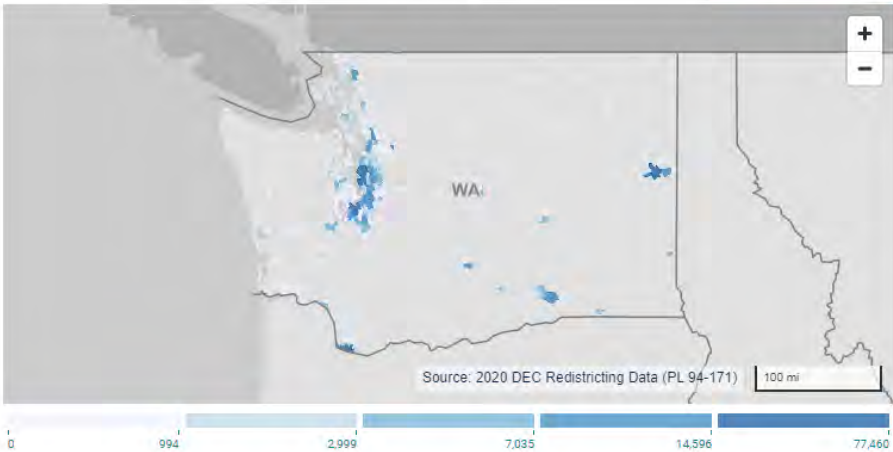
Two or More Races in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

Two or More Races for All Places in Washington

VIEW OPTIONS



White

31,287

White alone in Lakewood city, Washington

5,130,920

White alone in Washington

Table:  
P1

Table Survey/Program:  
2020 Decennial Census

White alone for All Places in Washington

VIEW OPTIONS





# **REGIONAL HOUSING STRATEGY**



# **REGIONAL HOUSING NEEDS ASSESSMENT**

**PUGET SOUND REGIONAL COUNCIL**  
JANUARY 2022



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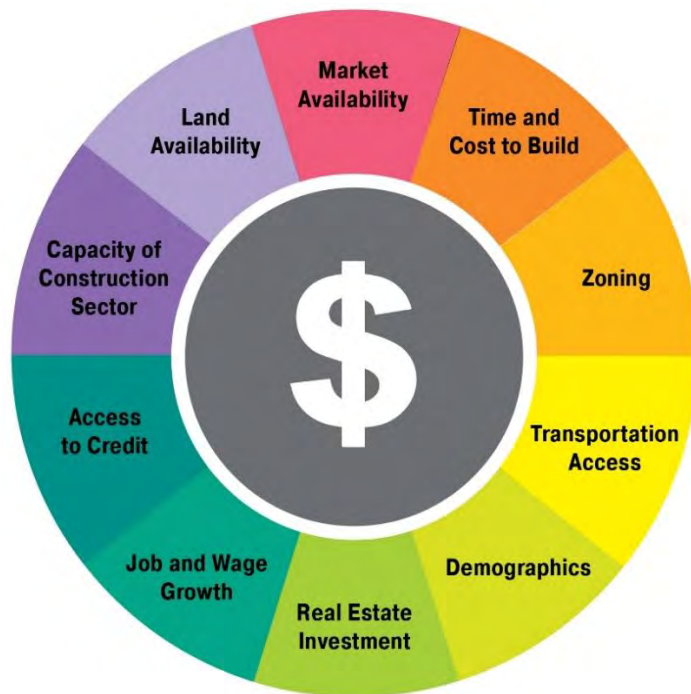
## 1 INTRODUCTION

[VISION 2050](#) directs PSRC to develop a regional housing strategy, including a regional housing needs assessment (H-Action-1). The Regional Housing Strategy is intended to serve as a “playbook” of regional and local actions to move towards the region’s goal to preserve, improve, and expand its housing stock to provide a range of affordable, accessible, healthy, and safe housing choices to every resident and to promote fair and equal access to housing for all people.



A key component of the Regional Housing Strategy is development of a housing needs assessment, which analyzes conditions, trends and gaps in the region’s housing stock and demonstrates how local and subregional housing need and supply fit into the regional picture. The findings of the needs assessment will inform the strategy.



Figure 1: Factors Influencing Housing Costs











Source: PSRC

## 1.1 KEY FINDINGS


It is increasingly difficult for people living and working in the central Puget Sound region to find housing that is affordable. The following key findings from the report highlight the critical need for more housing across the region:

-  The region is two years behind in housing production. Housing production lagged population growth between 2010 and 2020 by about 40,000 to 50,000 housing units, equivalent to about two years' worth of housing production. Not keeping up with population growth has exacerbated the upward pressure on housing costs; the region needs to address the current backlog in the short term in order to soften the impact on housing prices and rents.
-  The region needs a total of 810,000 new housing units to accommodate the region's population growth by the year 2050.



-  The region needs housing affordable to moderate and low-income households now and as the region grows. Addressing affordability needs will most likely require some level of public incentive for at least 34 percent of new housing – ranging from more flexible zoning standards to direct subsidy – to ensure new units are affordable to households earning less than the median income.
-  There are substantial disparities in housing access between white and person of color households, underscoring the ongoing effects of systemic racism in housing. People of color, on average, have lower incomes, are more likely to rent, and are more likely to be cost-burdened than white households. White residents are more likely to own their own home than Black residents across all income levels.
-  Housing prices have risen over the past decade and have outpaced increases in income. From 2011 to 2019, rent increased 53 percent and home values increased 67percent, making rent and homeownership increasingly unaffordable for a growing number of households.
-  The region’s current housing stock provides limited middle-density ownership options – like townhomes and triplexes – which are often more affordable than traditional single-family or condo units. The housing stock in the central Puget Sound housing stock also provides limited options for renters, particularly larger families. A more diverse housing stock is needed to provide accessible and affordable housing for residents in all phases of life.
-  Stable housing is critical to quality of life. A focus group of residents living in subsidized housing stated that they now spend less time worrying about how to pay the rent, which means more time for family, schoolwork, looking for better paying jobs, and community connections.
-  The makeup of the region’s households and housing needs is changing. Only one-third of households have children and seniors comprise a rapidly growing segment of the region’s population. A housing stock built for the needs of previous generations may not fully serve a growing and changing region.
-  There is an imbalance of jobs and housing in the region due, in part, to the lack of affordable housing near job centers. One in three residents lives and works in a different county, meaning many residents commute long distances to get to work, increasing transportation costs and impacting residents’ mental and physical health.
-  One in two households with less than \$50,000 in income – more than 130,000 households – is severely cost burdened, spending most of their income on housing costs and leaving little income to cover other basic needs such as food, transportation, childcare and medical costs.



 There is more to housing choice than the ability to afford housing. Residents choose where to live based on proximity to jobs, childcare, transportation options, safety and community.

## **1.2 REGIONAL HOUSING NEEDS ASSESSMENT OVERVIEW**

This analysis includes nine sections.

### **1 – Introduction**

**2– Background and Policy Context.** This section provides an overview of state, regional, and local housing policy and planning efforts.

**3 – Population and Household Characteristics.** This section explores who lives in the region by understanding issues like race and income; recent and forecasted trends in population growth; and other household factors, such as overcrowding, special housing needs, and displacement.

**4 – Housing Supply.** This section describes housing supply and development patterns in the region to understand the current housing inventory by type and differences across the region.

**5 – Housing Affordability.** This section discusses ownership and rental costs, unit availability and income-restricted housing across housing submarkets.

**6—Housing Market Trends.** This section describes recent trends in housing development across the region, including trends in areas planned for significant growth in regional growth centers and near high-capacity transit.

**7 – Workforce Characteristics.** This section discusses trends in job growth, wages, and the local of jobs in relation to housing.

**8 – Needs Analysis.** This section evaluates the alignment between the region’s housing inventory and the housing needs of the region’s residents. This analysis helps to identify the amount and the types of housing needed over the next 30 years to ensure residents will have access to affordable housing.

### **9—Conclusion and Next Steps**

## **1.3 DATA SOURCES & LIMITATIONS<sup>1</sup>**

The majority of the data included in this assessment comes from publicly available data sources, including:

---

<sup>1</sup> Definitions of commonly used terms available at <https://www.psrc.org/sites/default/files/glossary-housing.pdf>.



- American Community Survey (ACS)
- HUD Comprehensive Housing Affordability Strategy data (CHAS)
- Washington State Office of Financial Management (OFM)
- PSRC Permit Database
- PSRC Covered Employment Database
- PSRC Regional Macroeconomic Forecast

Other data sources include:

- CoStar
- Feedback from focus groups

---

**Subareas.** Some data measures in this report include county subareas. The subareas disaggregate each county (both incorporated and urban unincorporated areas) into two or three housing market subareas, as show below.



Figure 2: County Subareas



Source: PSRC

Many data measures highlight differences by race. In this report, people of color include individuals who report as Black, Hispanic/Latinx, Asian, American Indian, Alaskan Native, Native Hawaiian, other, Pacific Islander, or two or more races or ethnicities. People of color are sometimes referred to as “minority populations” in other PSRC publications or elsewhere to be consistent with U.S. Census Bureau data.

While the Regional Housing Needs Assessment uses the most recent data available, the majority of the data included in the assessment is only available for 2018 and 2019. Thus, much of the data and analysis included in this assessment does not reflect the recent impacts of COVID-19, including changes in employment, evictions and housing instability due to job losses and the economic downturn, and commuting changes as many residents in the region work remotely.



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**Area Median Income:** Area median income (AMI) commonly refers to the area-wide median family income (MFI) calculation provided by the Department of Housing and Urban Development (HUD) for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to AMI or MFI and adjusted based on household size. In this report, unless otherwise indicated, both AMI and MFI refer to the HUD Area Median Family Income (HAMFI).

---

## **1.4 ENGAGEMENT AND REVIEW**

The development of the Regional Housing Needs Assessment included community engagement and review from several PSRC boards and committees, and a wide range of housing professionals. Examples include:

- Early Scoping Conversations. PSRC connected with 14 housing stakeholders as part of an early scoping process to help inform discussions around scope, methodology, and deliverables.
- PSRC Boards and Committees. The Growth Management Policy Board developed the Regional Housing Strategy project scope. The board, Regional Staff Committee, Regional Transit-Oriented Development Advisory Committee, and Land Use Technical Advisory Committee reviewed the methodologies and findings for the Regional Housing Needs Assessment.
- Stakeholders Event. PSRC held an interactive event for housing professionals to take a “deep dive” into early findings from the Regional Housing Needs Assessment. The session included an overview of the data and small-group breakout discussions to focus on the key findings and data needed to support the forthcoming Regional Housing Strategy.
- Focus Groups. PSRC conducted remote focus groups with residents to ground truth the quantitative analysis and ensure the findings reflect lived experiences.

## **1.5 NEXT STEPS**

This project builds on adopted regional policy in VISION 2050 and its local implementation through countywide planning policies and comprehensive plan updates. The project assumes the central tenets of VISION 2050’s housing policies and Regional Growth Strategy – to preserve, improve, and expand the region’s housing stock to provide a range of affordable, accessible, healthy, and safe housing choices. It also assumes that the region consists of differing geographies of varying scales – will carry forward into future plan and policy updates. The project recognizes that some locations near high-capacity transit, such as manufacturing/industrial centers, have different roles and may not support additional housing development. Some issues related to the housing strategy, such as access to jobs, commercial displacement, social equity, and growth targets, will be more fully addressed in other coordinated and complementary VISION 2050 implementation projects.



The project will develop a set of recommended actions and will be implemented through future plan updates and other regional and local housing work.

The strategy will build on existing and forthcoming county, subregional and local housing work, such as action plans funded by HB 1923, and the work of the King County Affordable Housing Committee and Snohomish County Housing Affordability Response Team (HART). PSRC staff will continue to coordinate with local staff to ensure the strategy provides value at the regional and local level and minimizes duplication. The strategy will also support regional work including the Growing Transit Communities Strategy, and forthcoming Regional Equity Strategy, growth targets guidance, and Regional Centers Framework implementation.

## **2 BACKGROUND AND POLICY CONTEXT**

This section provides an overview of state, regional, and local housing policy and planning efforts.

### **2.1 HOUSING IN THE GROWTH MANAGEMENT ACT**

The Washington Growth Management Act's overarching planning goal for housing (Goal 4) is to "[e]ncourage the availability of affordable housing to all economic segments of the population of



this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.”<sup>2</sup>

The Growth Management Act requires that countywide planning policies (CPPs) and multicounty planning policies (MPPs), which establish the policy framework for local comprehensive plans, at a minimum include “policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution.”<sup>3</sup>

Finally, the Growth Management Act requires that local jurisdictions develop comprehensive plans that include “a housing element ensuring the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth; (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences; (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.”<sup>4</sup>

## **2.2 HOUSING IN VISION 2050**

VISION 2050 is the shared regional plan for moving toward a sustainable and more equitable future. The region is expected to grow by 1.6 million people, reaching a total population of 5.8 million by 2050. An anticipated 1.2 million more jobs are forecast by 2050. The region’s population in 2050 will be older and more diverse, with smaller households than today. Planning for this much growth is difficult, and VISION 2050 recognizes that local, state, and federal governments are all challenged to keep up with the needs of a growing and changing population.

Housing is a top priority among the region’s residents. Despite a strong surge in housing construction, the region continues to experience a housing affordability crisis that requires coordinated efforts to expand housing options and create greater affordability. This won’t be easy. Market pressures and strong employment result in rising prices and rents. The region’s cities need more housing supply to catch up with demand, but even with more housing options, housing will remain unaffordable to those earning the lowest incomes. Local governments generally do not build housing but do play an important role in shaping the type, location and amount of housing available by establishing zoning, setting density limits, and providing funding and incentives for affordability.

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<sup>2</sup> Revised Code of Washington (RCW) 36.70A.020 (4), Washington Administrative Code (WAC) 365-196-305

<sup>3</sup> RCW 36.70A.210

<sup>4</sup> RCW 36.70A.070



VISION 2050 calls for cities and counties to support the building of more diverse housing types, especially near transit, services, and jobs, to ensure all residents have the opportunity to live in thriving urban places. VISION 2050 also calls for more housing affordable to low- and very low-income households. It recognizes that providing long-term affordable housing for the region's most vulnerable residents requires public intervention through funding, collaboration, and jurisdictional action and cannot be met by market forces alone.

The development of the Regional Housing Strategy, including this Regional Housing Needs Assessment, is a key implementation action in VISION 2050. In addition to the Regional Housing Strategy, PSRC will develop tools and resources to assist cities and counties with local housing efforts.

### **2.3 HOUSING IN COUNTYWIDE PLANNING POLICIES**

Countywide planning efforts play an important role in addressing housing, beginning with their targeting processes for allocating residential and employment growth. Countywide planning policies (CPPs) are currently being reevaluated and updated to be consistent with VISION 2050 and in preparation for the periodic update of local comprehensive plans in 2024. Consistent with VISION 2050, the four counties will also set housing growth targets for cities and unincorporated areas.

Countywide planning policies also include a variety of policies related to affordable housing. While none of the counties currently assign specific affordable housing targets to individual jurisdictions, the CPPs do provide guidance on assessing local needs within a context of countywide need.

CPPs in each of the counties also include policies that encourage local consideration of a variety of housing tools, such as mandatory inclusionary zoning and various types of housing incentives. The CPPs also generally encourage coordination around monitoring housing outcomes over time.

### **2.4 HOUSING IN LOCAL COMPREHENSIVE PLANS**

Local comprehensive plans establish the overall vision for community development, set the framework for future land use and zoning, and set local priorities for strategies and investments.<sup>5</sup> As such, they have a direct impact on housing and housing affordability. The housing element of each plan is expected to address several aspects of housing and housing affordability. First, plans should promote increased housing production opportunities, including diverse types and styles for all income levels and demographic groups. The housing element should evaluate affordable housing needs, including an assessment of existing and future housing needs based on regional and local factors, including household income, demographics, special needs populations, and adequacy of existing housing stocks.

Finally, local plans should address regional housing objectives in VISION 2050, including: addressing long-term housing supply; promoting affordable housing in all development, with an

---

<sup>5</sup> RCW 36.70A.070



emphasis in centers and near transit; jobs-housing balance; and mitigating residential displacement. Local actions will be critical for the region to make progress in addressing the lack of affordable and available housing.

The Regional Housing Strategy, including this Regional Housing Needs Assessment, can serve as a framework as local jurisdictions update their plans for the 2024 periodic update.

### **3 POPULATION AND HOUSEHOLD CHARACTERISTICS**

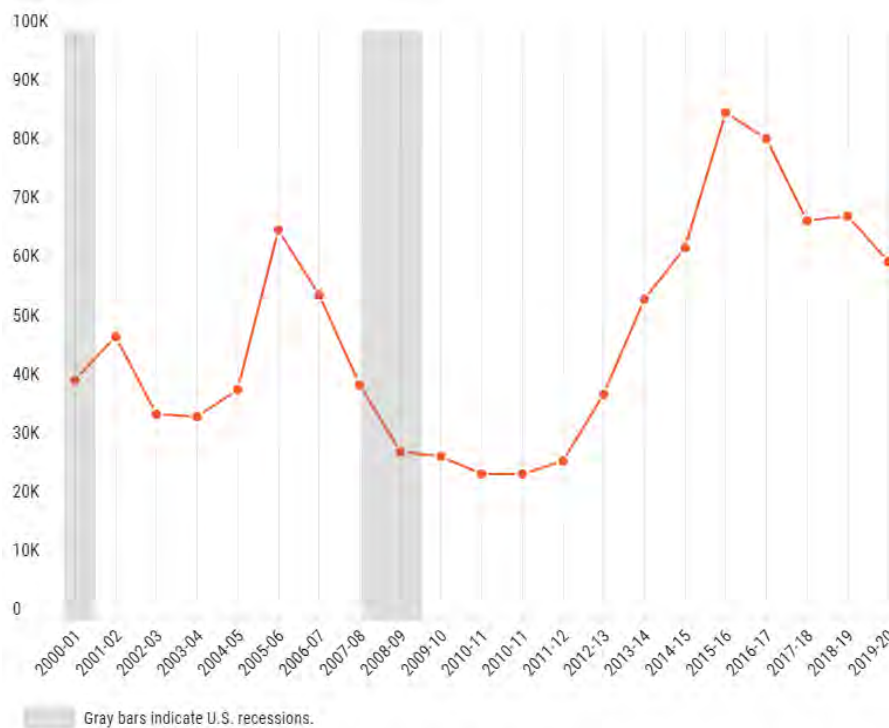
Population and household factors play a critical role in the amount and type of housing needed. This section will explore who lives in the region by understanding issues like race and income; recent and forecasted trends in population growth; and other household factors, such as overcrowding, special housing needs, and displacement.



### 3.1 POPULATION GROWTH

The region has gained a million people since 2000—the equivalent of adding another Seattle and Tacoma. As of April 1, 2020, the region’s population reached 4,264,200. In 2019, the region added 60,800 residents—or 166 people a day. This is less growth than in recent years when it topped 80,000 but still remarkably strong.

**Figure 3: Annual Population Change in Central Puget Sound, 2000-2020**

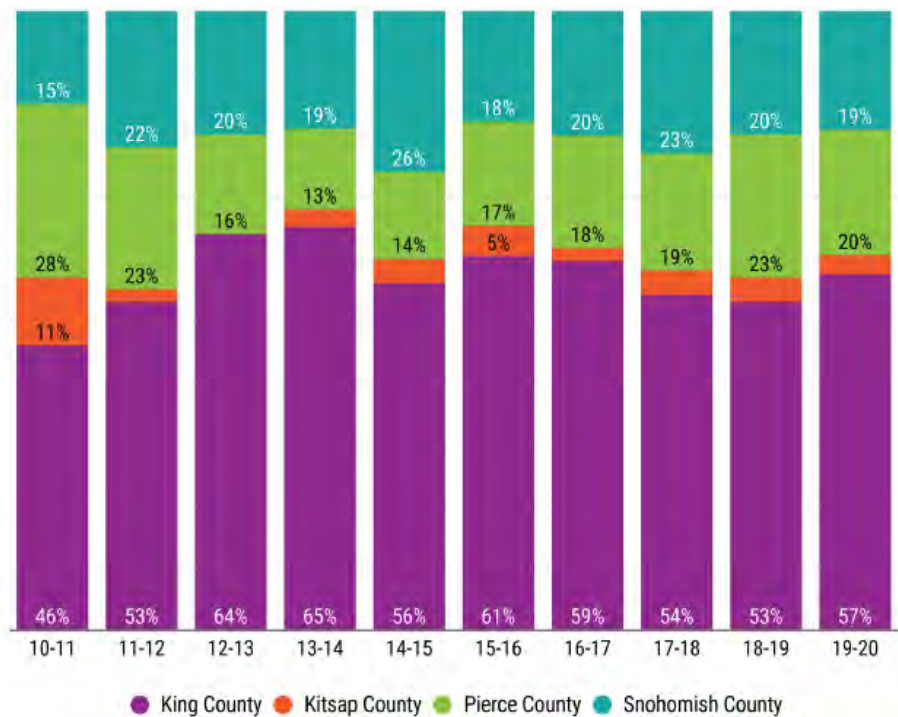


Source: WA State Office of Financial Management

More than half of the region’s population growth has happened in King County each year since 2011. From spring 2019 to spring 2020, King County added 34,500 people, which was 57 percent of the region’s increase. Pierce and Snohomish counties together accounted for 40 percent of the region’s population growth last year. Pierce added 12,400 people and Snohomish added 11,800. Kitsap comprised 3 percent of the region’s growth, with 2,100 additional residents.

**Figure 4: Share of Region’s Population Change by County, 2010-2020**





Source: WA State Office of Financial Management

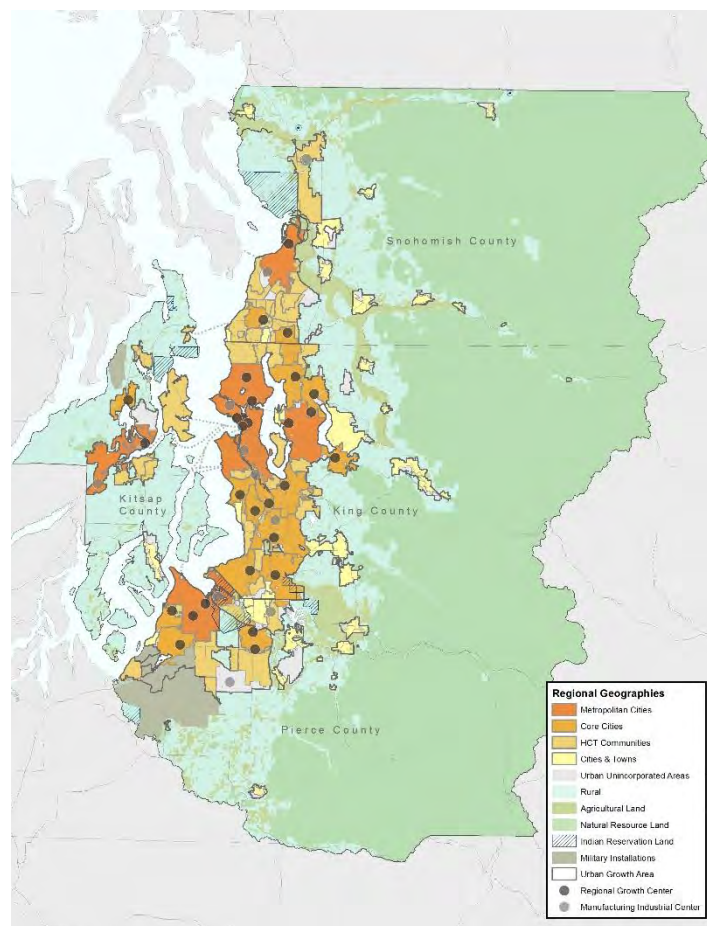
### 3.2 FUTURE GROWTH AND THE REGIONAL GROWTH STRATEGY

The region is anticipated to grow over the coming three decades. VISION 2050 is a shared strategy for how and where the central Puget Sound region can grow to accommodate a forecast of 5.8 million people and 3.4 million jobs by the year 2050. The Regional Growth Strategy considers how the region can distribute the forecasted growth, primarily within the designated urban growth area, and support development near high-capacity transit in the region. The strategy is a description of a preferred pattern of urban growth that has been designed to minimize environmental impacts, support economic prosperity, advance social equity, promote affordable housing choices, improve mobility, and make efficient use of new and existing infrastructure.



**Regional Geographies** are groupings of cities and unincorporated areas used for planning and growth distribution purposes in the Regional Growth Strategy of VISION 2050. Growth is allocated to the six geographies described below. Military lands and Tribal reservation lands also identified and will grow and change over time but are not allocated growth under VISION 2050.

**Figure 5: Regional Geographies**



**Metropolitan Cities** are central cities with high-capacity transit and at least one regional growth center and serve as a civic, cultural, and economic hub in a county.

**Regional growth:** 36 percent population & 44 percent employment

**Core Cities** are other major cities with regional growth centers and key hubs for the region's multimodal transportation system.

**Regional growth:** 28 percent population & 35 percent employment

**High Capacity Transit Communities** are cities and urban unincorporated areas with existing or planned light rail, commuter rail, ferry streetcar, or bus rapid transit.

**Regional growth:** 24 percent population & 13 percent employment

**Cities and Towns** include an array of jurisdictions that provide important housing, jobs, commerce, and services in their downtowns and local centers.

**Regional growth:** 6 percent population & 4 percent employment

**Urban Unincorporated Areas** are county governed areas made up of both lightly developed outlying areas and neighborhoods that are much more urban.

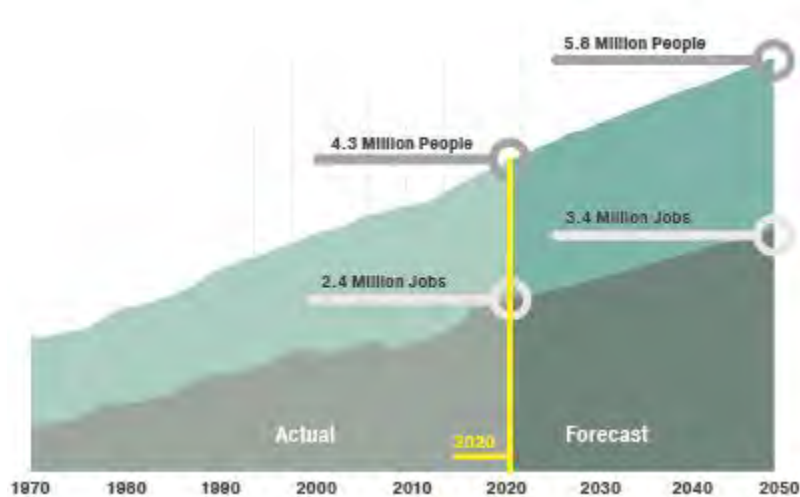
**Regional growth:** 3 percent population & 2 percent employment

**Rural Areas** provide cultural, economic, and rural lifestyle opportunities and are not intended accommodate significant growth.

**Regional growth:** 2 percent population & 1 percent employment



**Figure 6: Actual and Forecasted Employment and Population Growth**



Source: PSRC Regional Macroeconomic Forecast

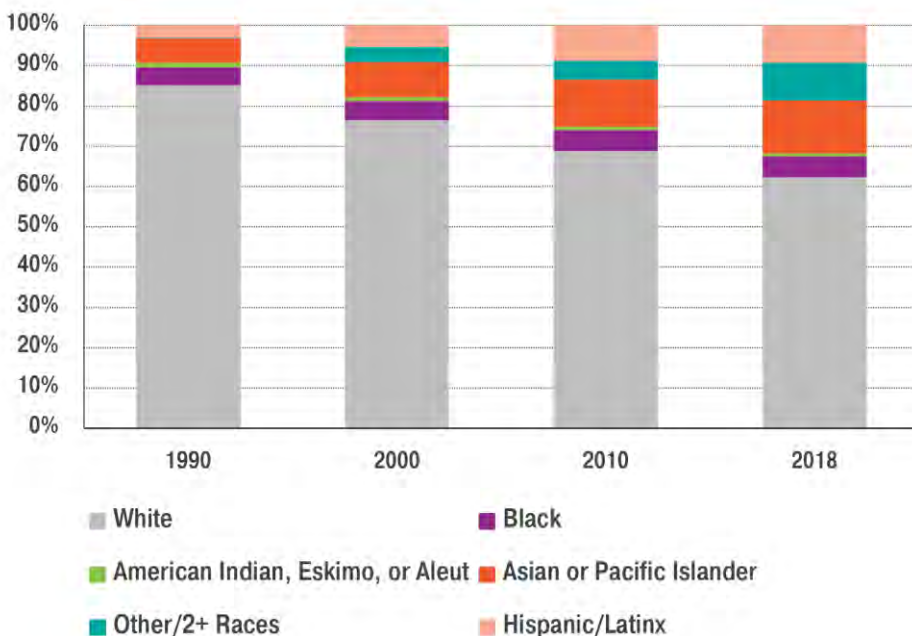
Planning for a balanced distribution of affordable housing choices and jobs is critical to the success of the Regional Growth Strategy. Skyrocketing housing prices have displaced residents, particularly in major cities and near job centers. The displacement risk mapping discussed in the Displacement section 3.12 identifies areas most at risk of cultural, economic, and physical displacement. VISION 2050 calls for jurisdictions to understand and to mitigate displacement for both people and businesses to the extent feasible. Collectively, cities and counties must plan for a wider variety of housing types and densities, particularly moderate density housing, to ensure the region can accommodate new growth while minimizing displacement of existing residents.

### **3.3 RACE/ETHNICITY**

People of color make up about one-third of the region's current population and increased by 774,000 residents, or 100 percent, from 2000 to 2018. This increase in population is over twice the size of the existing population in Kitsap County. The white population in the region has grown at a much slower rate of 159,000 residents, or 6 percent. People of color represent 83 percent of the region's population growth since 2000.



**Figure 7: Population by Race/Ethnicity, 1990-2018**

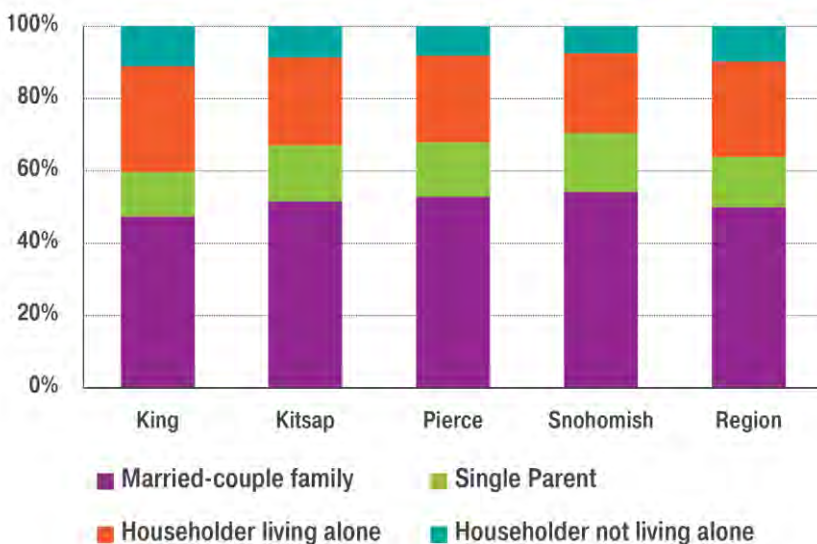


Source: American Community Survey 5-Year Estimates

### 3.4 HOUSEHOLD SIZE AND FORMATION

Household types are fairly uniform across the region. King County has the highest percentage of people living alone, at about 30 percent, and people living with roommates, around 10 percent. Across the region, single female householders are twice as prevalent as single male householders.

**Figure 8: Household Type, 2018**



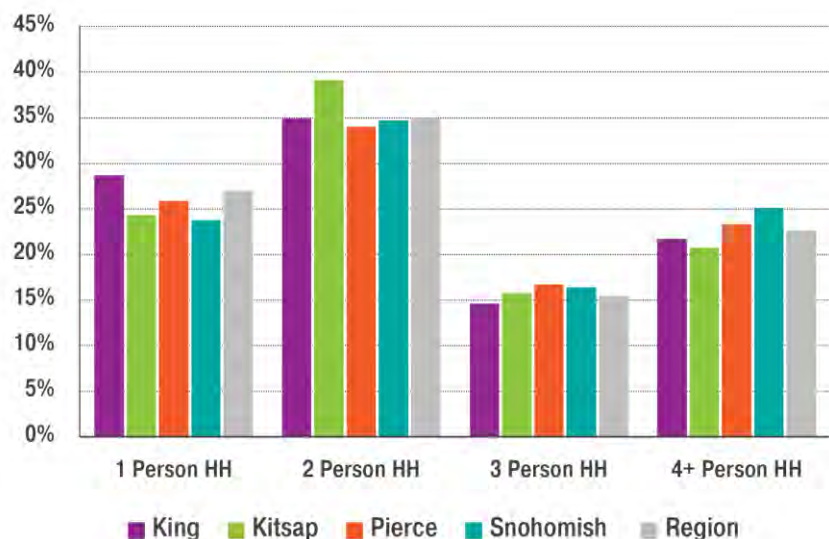
Source: American Community Survey 5-Year Estimates



Larger families typically seek larger homes with three or more bedrooms, while singles and two person households may be well-served by smaller housing types. Individual households also change over time as people's circumstances change. Life events such as getting married or divorced, having children, grown children leaving home, and retirement, can all influence household size and housing needs. A balanced community will often include a mix of families with young children, singles, non-family housemates, aging couples, multigenerational households, and everything in-between.

About 62 percent of households are comprised of one or two people, and close to 30 percent of households in King County are people living alone. Snohomish County has the largest percentage of larger households, with one-quarter that are 4+ person households. The Washington state average household size is 2.55 people per household compared to 2.50 in the region.

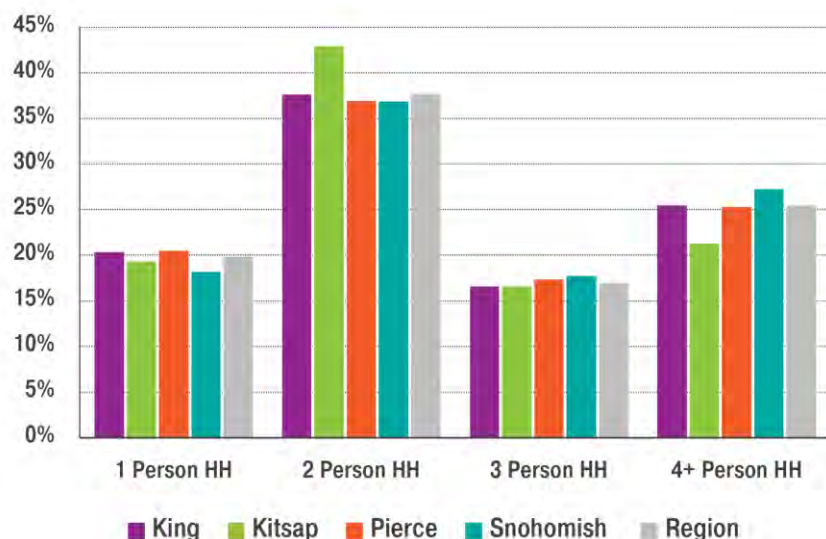
**Figure 9: Households by Size – All Households, 2018**



Source: American Community Survey 5-Year Estimates

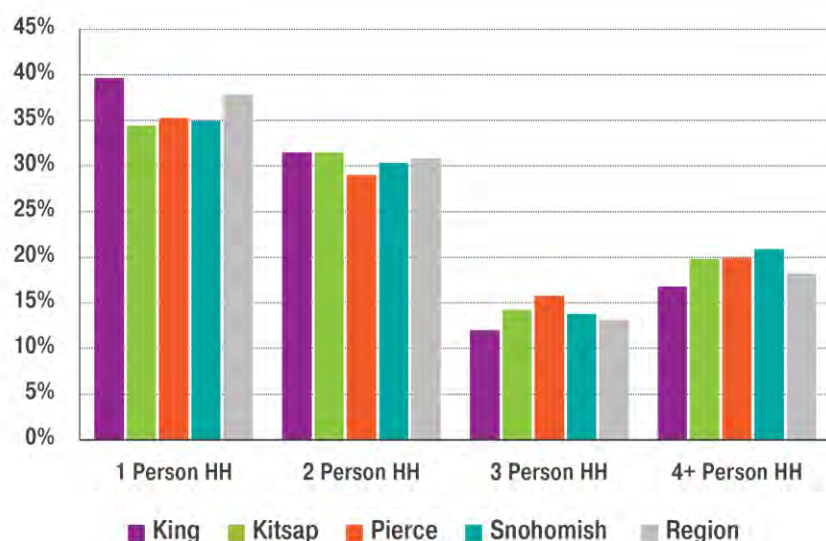


**Figure 10: Households by Size – Owner-occupied Units, 2018**



Source: American Community Survey 5-Year Estimates

**Figure 11: Households by Size – Renter Occupied Units, 2018**



Source: American Community Survey 5-Year Estimates

One and two person households make up 69 percent of all renter occupied households, while they make up 58 percent of owner-occupied households. A higher rate (25 percent) of owner-occupied households are 4+ persons compared to renters (18 percent).



### 3.5 QUALITY AND CONDITION OF HOUSING

#### Overcrowding

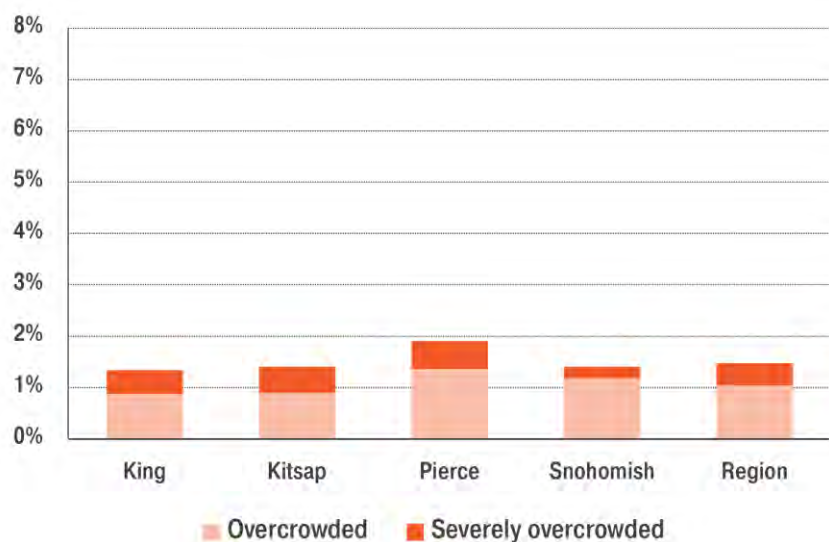
HUD considers a household to be overcrowded if there is more than one person per one room in the housing unit. In this definition "rooms" include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms.

Overcrowded housing in urban areas has been a problem since the beginning of the 20th century and continues to be a problem today.

Children living in overcrowded households tend to have lower educational achievement, more behavioral issues, and higher rates of physical and mental health problems. On a neighborhood level, overcrowded housing puts a strain on local resources and is an indicator of disparities between population income and housing affordability. Immigrant populations are particularly susceptible to issues of overcrowded housing, and the Los Angeles metropolitan area has one of the highest rates of overcrowded housing in the country. Overcrowding can also help in identifying a lack of supply in affordable housing in an area.<sup>6</sup>

An estimated 56,000 households in the region experience overcrowding. Overcrowding is significantly higher among renters. Renters experience overcrowding at more than four times the rate of owners. Approximately 41,000 renter-occupied households are overcrowded. Overcrowded is defined by HUD as greater than 1 occupant per room, and severe overcrowding is greater than 1.5 occupants per room.

**Figure 12: Overcrowded Units – Owner Occupied, 2018**

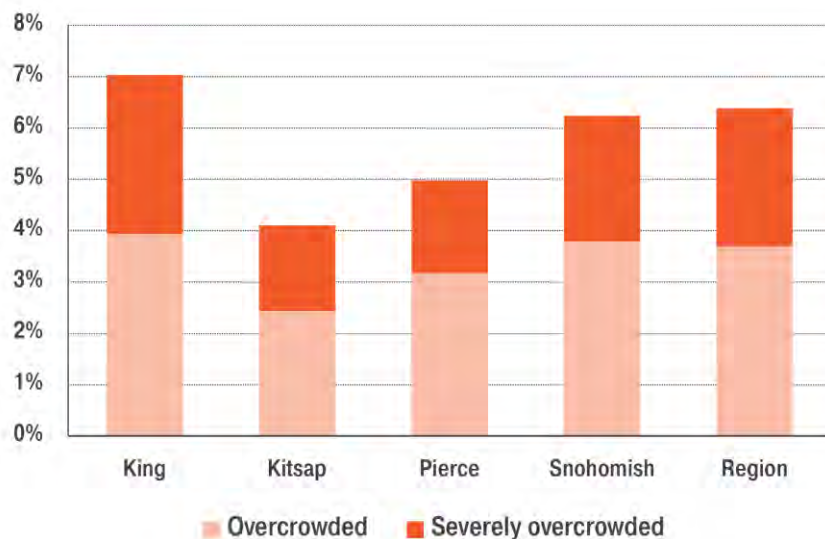


Source: American Community Survey 5-Year Estimates

<sup>6</sup> Neighborhood Data for Social Change, <https://usc.data.socrata.com/stories/s/Learn-More-Overcrowding-LA-/7bwa-87rn/>



**Figure 13: Overcrowded Units – Renter Occupied, 2018**



Source: American Community Survey 5-Year Estimates

### Housing Condition

Housing condition is affected by factors like a home's design and age. Poor-condition housing is associated with various negative health outcomes, including chronic disease and injury and poor mental health. The quality of a home's neighborhood is shaped in part by how well individual homes are maintained, and widespread residential deterioration in a neighborhood can negatively affect mental health.<sup>7</sup>

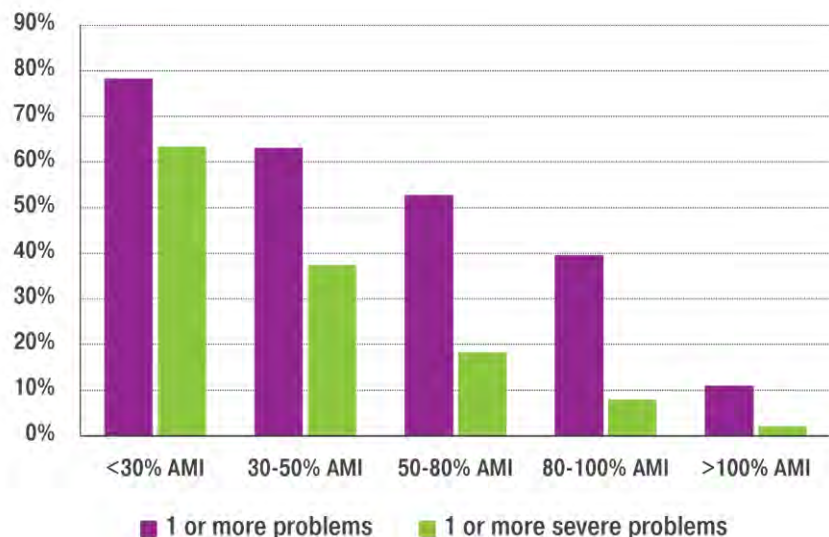
Renters experience significantly higher rates of housing problems<sup>8</sup> compared to owners. More than half of renter households have at least one problem, defined as lacking complete plumbing, lacking complete kitchen facilities, is overcrowded, or cost burdened. Owners also experience high rates of housing problems, particularly households below 80 percent AMI. For renters, the rate of housing problems drops sharply among households above 50 percent AMI. Renters between 30-50 percent AMI have the highest rates of housing problems.

<sup>7</sup> Housing and Health: Time Again for Public Health Action, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1447157/>

<sup>8</sup> There are four housing problems delineated in the CHAS data: 1) housing unit lacks complete kitchen facilities; 2) housing unit lacks complete plumbing facilities; 3) household is overcrowded; and 4) household is cost burdened. A household is said to have a housing problem if they have any 1 or more of these 4 problems.



**Figure 14: Housing Problems – Owner Occupied**



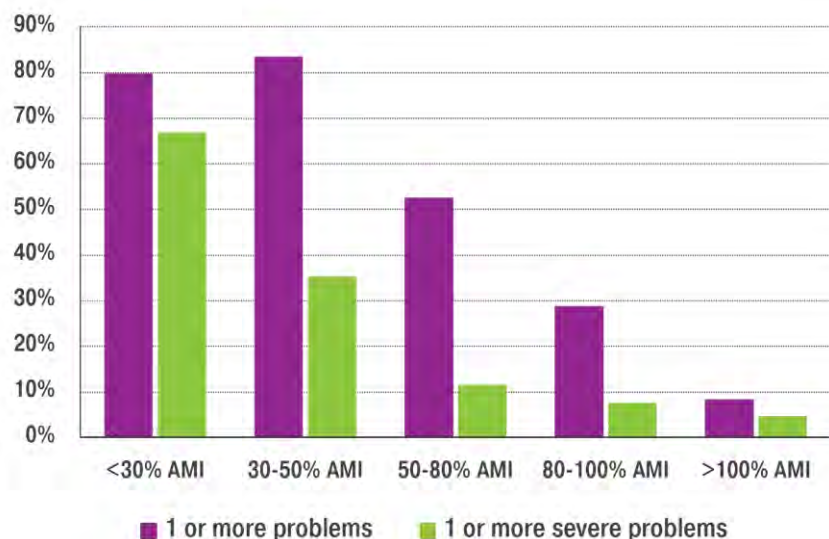
Source: Comprehensive Housing Affordability Survey 2012-2016

The cost of maintaining housing can lead to financial burden, and delayed maintenance may lead to serious housing problems. While rental housing may include heaters, the cost for a heating deposit may be unaffordable for residents. In focus groups to support this needs assessment, residents stated that the unexpected costs of repairs are often unaffordable. For some, this leads to a desire to rent rather than own and be responsible for those costs.

*“There are homeowners who are barely making it and don't have budget to repair unexpected needs.”*



**Figure 15: Housing Problems – Renter Occupied Units in Region, 2016**

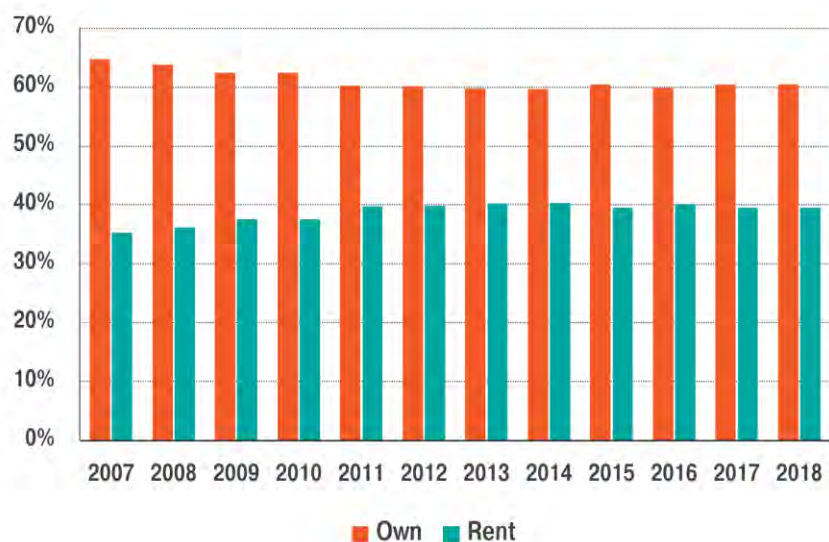


Source: Comprehensive Housing Affordability Survey 2012-2016

### 3.6 HOUSING TENURE

The majority of households in the region, 60 percent, own their homes. However, the percentage of homeowners dropped during the Great Recession and has marginally increased since. Driving factors for this trend include the relatively low supply of homes for sale and rapidly increasing cost of housing. However, demand factors, such as the influx of job-seeking renters and Millennials waiting longer to buy homes than previous generations, are likely in play as well.

**Figure 16: Housing Tenure, 2007-2018**

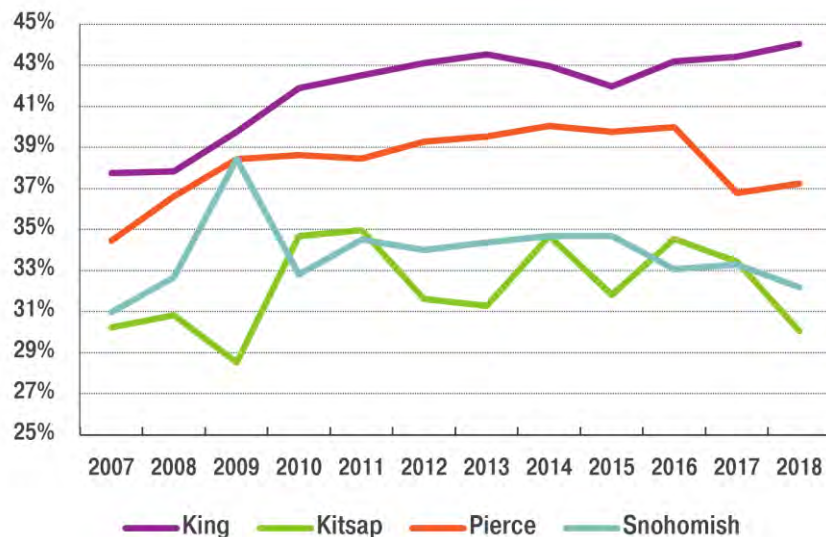


Source: American Community Survey 5-Year Estimates



There is some variation in housing tenure at the county level. Since 2011 the percentage of renter occupied housing has grown in all four counties, with the greatest increases in King County and Pierce County. The difference in the percentage of renter occupied housing among the counties has also grown, with a widening gap in renters in King and Pierce counties compared to Kitsap and Snohomish counties.

**Figure 17: Renter Occupied Housing, 2007- 2018**

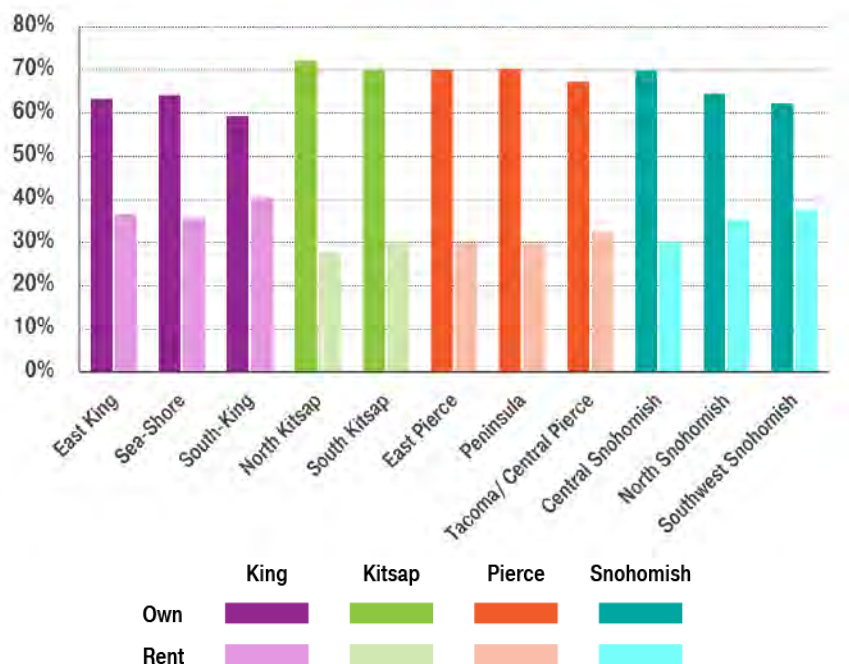


Source: American Community Survey 5-Year Estimates

There is no “correct” ratio between renters and owners within a community. Home ownership is a goal for many households and has been an important way to build intergenerational wealth, and the region should address barriers to ownership for affected families and individuals. This option does not suit all lifestyles, however, and a healthy housing stock will provide options at different price points for both owners and renters.

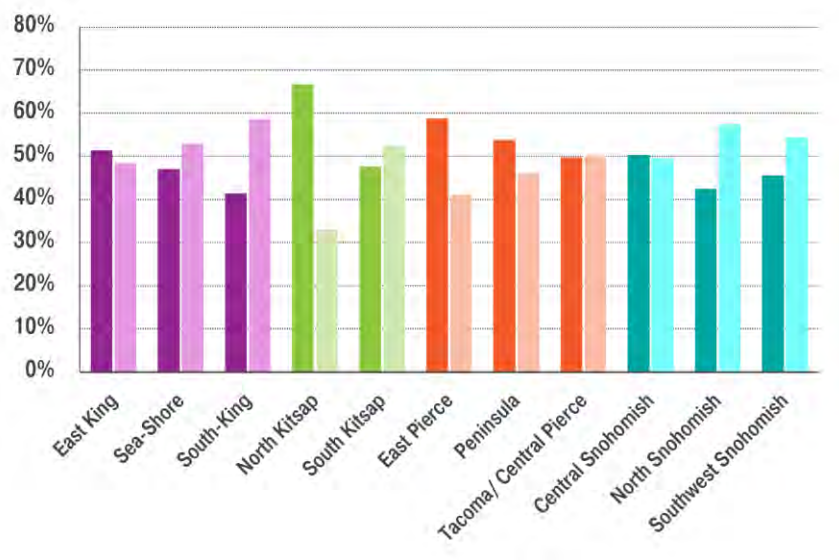


**Figure 18: Housing Tenure by Subarea – White Households, 2018**



Source: ACS 2018 5-Year Estimates

**Figure 19: Housing Tenure by Subarea – Person of Color Households, 2018**



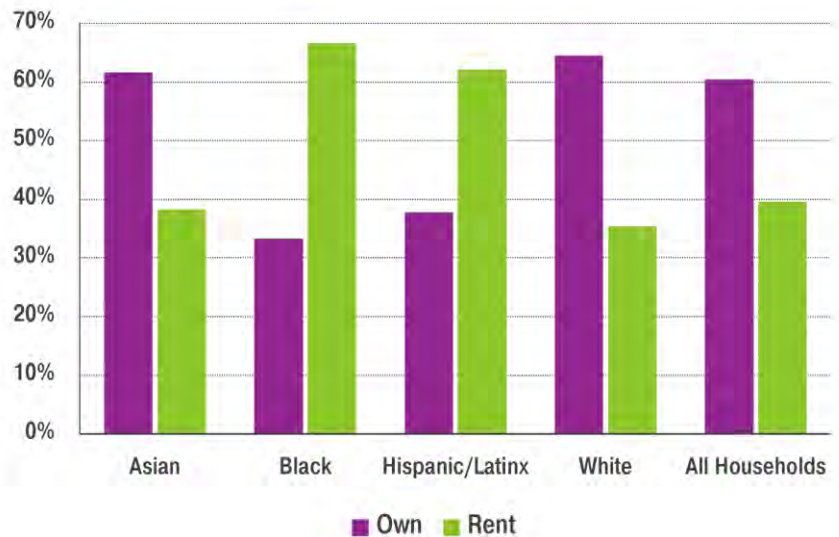
Source: ACS 2018 5-Year Estimates

Homeownership rates are also the product of decades of public policies and private practices that, throughout the 20th century, often excluded lower-income households, immigrant communities, and people of color from accessing housing and living in certain areas. Together, past and current



housing practices have perpetuated substantial inequities in wealth, ownership, and opportunity, and they continue to create barriers to rectifying these conditions. There are greater variations in housing tenure when analyzed by the race/ethnicity of the households. While the region has a renter rate of 40 percent for all households, 35 percent of white households are renters, while 67 percent of Black and 62 percent of Hispanic households are renters. In every subarea, white households have greater rates of homeownership compared to people of color. The central Puget Sound region's housing landscape reflects more than market forces and conditions.

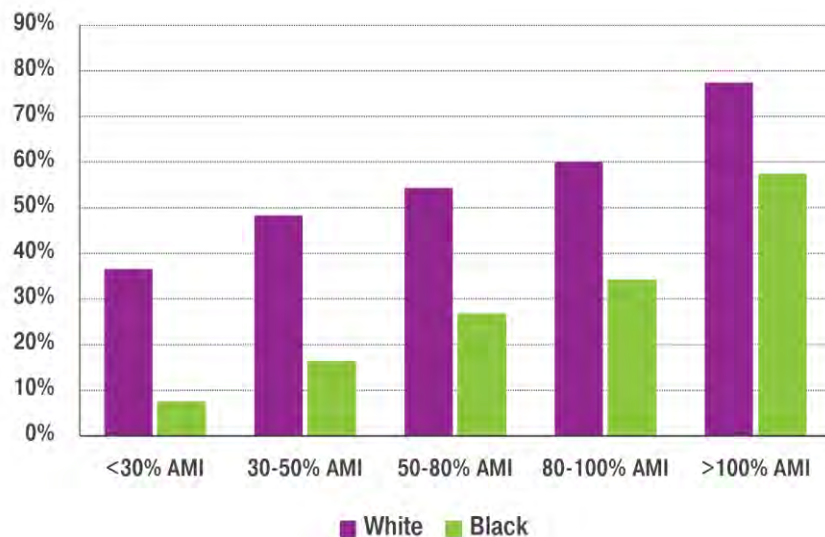
**Figure 20: Housing Tenure by Race/Ethnicity, 2018**



Source: American Community Survey 5-Year Estimates



**Figure 21: Homeownership Rate by Income Level, 2017**



Source: Comprehensive Housing Affordability Survey 2013-2017

Income disparities for all households are related to homeownership disparities. Those with higher incomes have higher homeownership rates. However, for Black and white households in the same AMI percentage, there is a gap in homeownership rates. White households are more likely than Black households to own in all AMI categories. The gap is largest among low-income households but is less for households over 100 percent AMI. Low-income white households are more likely to be homeowners, and white households at the lowest income levels still have a higher overall homeownership rate than Black households, at 37 percent.

In focus groups, residents also noted additional reasons for renting over owning. One resident noted that homeownership is not very common for Hispanic/Latinx residents in their community. They noted that in their family many fear owning a home after the experience of losing a home after the Great Recession. Another focus group participant noted that no one in their family owns a home, making it difficult to have the financial literacy needed to purchase a home. Others noted that many choose to rent because the costs are more inclusive and there are fewer unexpected repairs and maintenance costs than when owning a home.

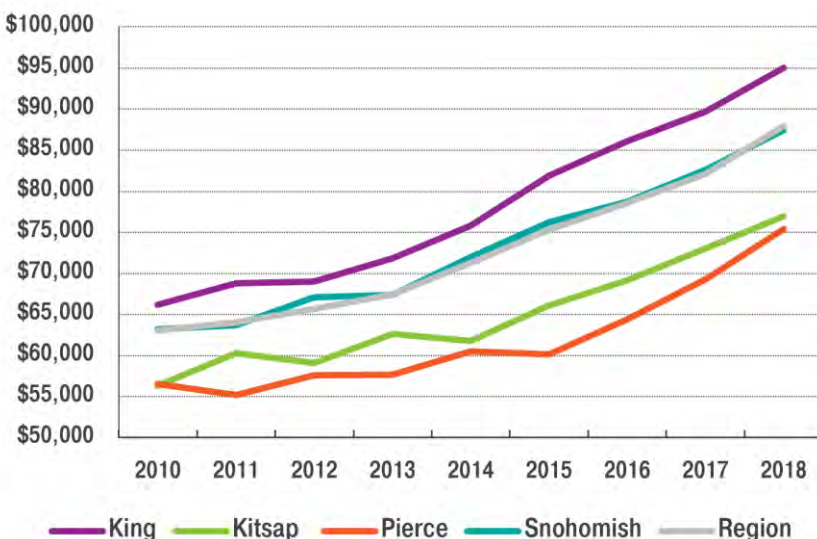
### **3.7 HOUSEHOLD INCOME**

Income affects a household's ability to purchase or rent a home. Like housing costs, household income varies across the region shaping local housing market conditions.

Figure 22 shows median household income is climbing in all four counties. However, the gap in household income has grown substantially since 2010, from a gap of nearly \$10,000 between King and Pierce counties to a gap of close to \$20,000 in 2018. The median household income has grown the most in King County, up 44 percent from 2010.



**Figure 22: Median Household Income, 2010-2018**



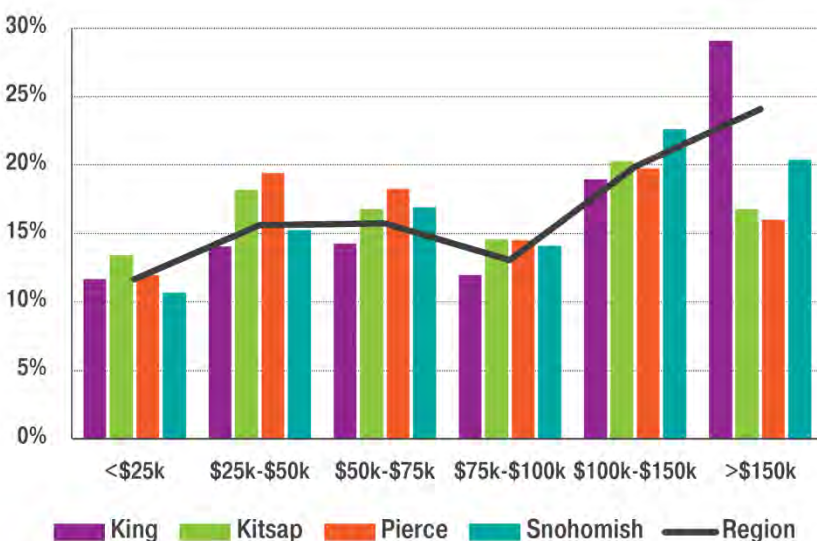
\*values have not been adjusted for inflation

\*\*regional value is for Seattle-Tacoma-Bellevue MSA

Source: American Community Survey 5-Year Estimates

A quarter of all households in the region, nearly half a million, have incomes less than \$50,000. King County has the highest share of households with incomes over \$100,000. Nearly 30 percent of all households in King County have incomes over \$150,000. Thus, while median household income is trending upward, there are still many low- and moderate-income households across the region.

**Figure 23: Household Income Distribution, 2018**

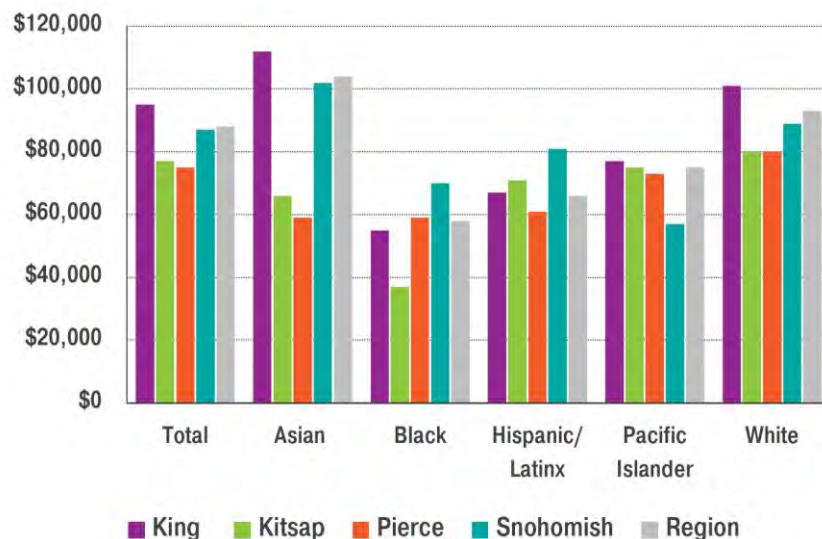


Source: American Community Survey 5-Year Estimates



There is a strong relationship between race/ethnicity and income. On average, white and Asian households had incomes 38 percent to 57 percent higher than Hispanic/Latinx households, and 58 percent to 79 percent higher than Black households, as shown in Figure 24. Black households experience the largest disparity in income of the groups analyzed. Regionwide, a Black household will earn one-third less than the regional median income. Median household incomes for Asian households vary significantly by county. The median household income for Asian households in King County is \$52,000 higher than Asian households in Pierce County. In Pierce and Kitsap counties, the median income for Asian households is lower than both white and Hispanic/Latinx households.

**Figure 24: Median Household Income by Race/Ethnicity, 2018**



\*Region is for Seattle-Tacoma-Bellevue MSA

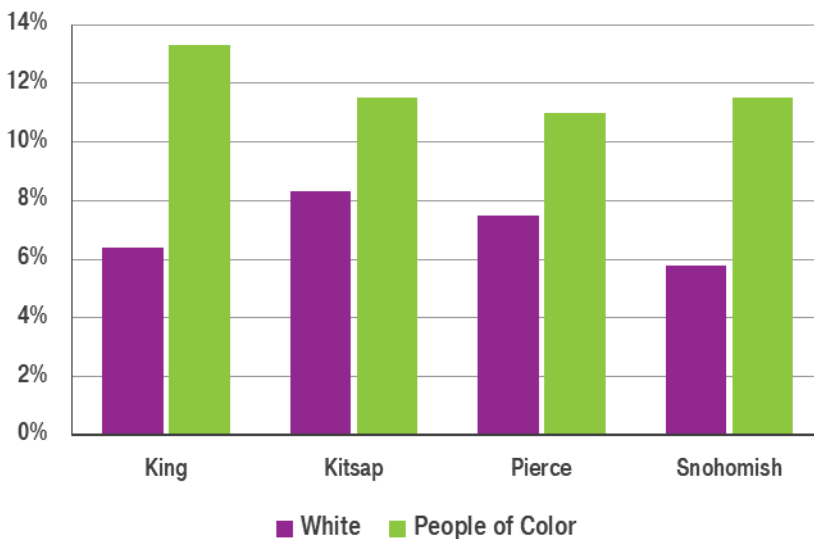
Source: American Community Survey 5-Year Estimates

### 3.8 POVERTY

Across the region people of color face higher poverty rates than their white counterparts. The greatest disparity in poverty between white and people of color is in King County, where 13 percent of people of color experience poverty compared to 7 percent of the white population. The Black population experiences the highest level of poverty in King County while the Native/Indigenous populations experience the highest poverty levels in Kitsap and Snohomish counties. The Hispanic/Latinx population experiences the highest rate of poverty in Pierce County.



**Figure 25: Poverty Rate by Race/Ethnicity, 2018**



Source: American Community Survey 5-Year Estimates

### 3.9 SPECIAL NEEDS POPULATIONS

There are many groups within a community who may have special needs for housing. Needs can range from design accommodations to on-site care provision. Estimating the size of these populations can help the region understand whether existing housing stock and services have sufficient capacity to meet these specific needs. The needs of these groups are generally not analyzed in the housing element of local comprehensive plans but are integral to the planning for human services and housing assistance programs. This report does not provide detailed data for each special needs category, but does provide an overview by income thresholds.

HUD data from 2012 to 2016 shows that regionwide, 69 percent of households include one or more members with a health impairment or limitation.<sup>9</sup> King County is below the regional total, with 66 percent of households identifying with a health impairment or limitation. Kitsap County (78 percent), Pierce County (71 percent), and Snohomish County (76 percent) are above the regional total.

Assessing households with special needs by income helps to identify populations that may require long-term supportive subsidized housing. Many low and very-low income households – below 50 percent AMI – require housing that the private market will not provide. In all four counties, the majority of households at these income thresholds shown identify as having a health impairment or limitation.

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<sup>9</sup> According to HUD, health impairment and limitations include hearing or vision impairment; ambulatory limitation; cognitive limitation; self-care or independent living limitation.



### 3.10 SENIORS

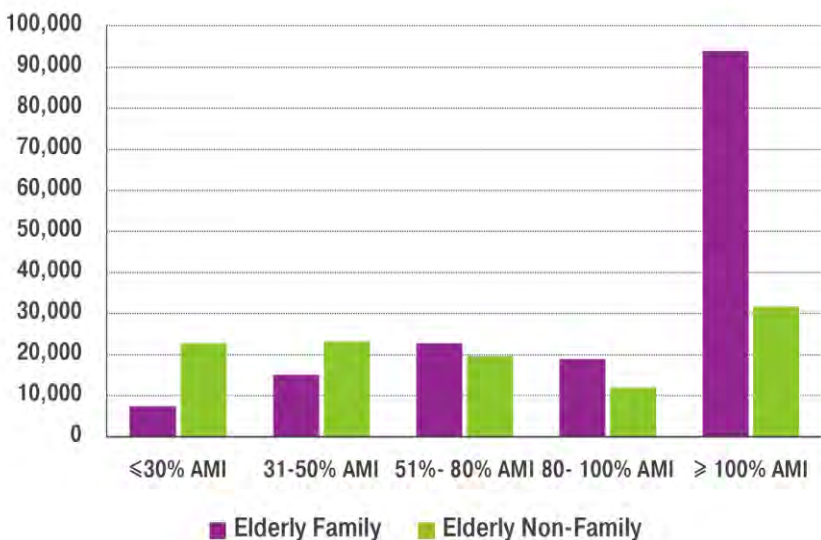
As residents age, they are more likely to live alone and more likely to be part of low- or very low-income households. Certain communities may attract retirees or see young people leave the community for more economic opportunity elsewhere. Older adults may also need additional supportive care, which adds to financial insecurity in vulnerable households. They may also be on fixed incomes making unexpected costs associated with home maintenance difficult to afford.

*"It terrifies me because I don't think retirement money is going to pay for my cost of living. I'm going to have to be somewhere that all of that is included, the repairs. I'm not going to be able to afford that."*

Figures 26 and 27 illustrate the AMI distribution of the elderly population (seniors) in both renter and owner-occupied households. The elderly population is designated by being of 65 years of age and above and is divided by elderly family and elderly non-family categories. In this case, elderly family are those that live in a two-person household, with either or both members above the age of 65. Elderly non-family households are those that are single people living independently or in group homes.

The majority of elderly homeowners live with at least one other person and have above the median income. However, the majority of elderly renters live alone and are very low-income – earning less than 30 percent AMI. For lower income elderly residents who live alone, there are a range of challenges in providing affordable housing and services to ensure people can live in safe and stable housing as they age.

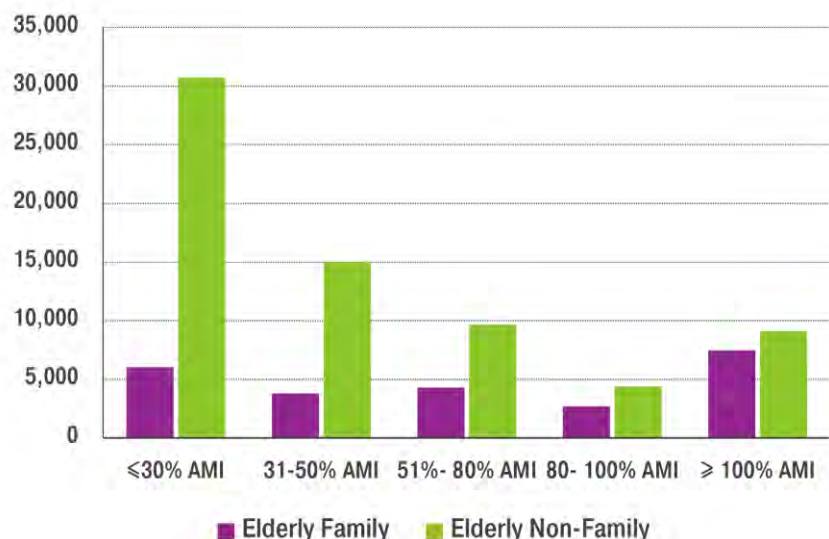
**Figure 26: Senior Homeowners by Income Level, 2016**



Source: Comprehensive Housing Affordability Survey 2012-2016



**Figure 27: Senior Renters by Income Level, 2016**



Source: Comprehensive Housing Affordability Survey 2012-2016

### 3.11 PEOPLE EXPERIENCING HOMELESSNESS

Once thought of as an inner-city issue, homelessness is a concern for every central Puget Sound community, small and large, urban and suburban. While there are many reasons people experience homelessness, there is a close correlation between the growing number of people experiencing homelessness and rising housing costs.<sup>10</sup> Focus group participants noted how close they have been to being homeless based on rising housing costs and trade-offs they have had to make in paying for housing over other services.

*"I'm one check away from homelessness, and I know it. It's a house of cards, it only takes one thing and I will be homeless."*

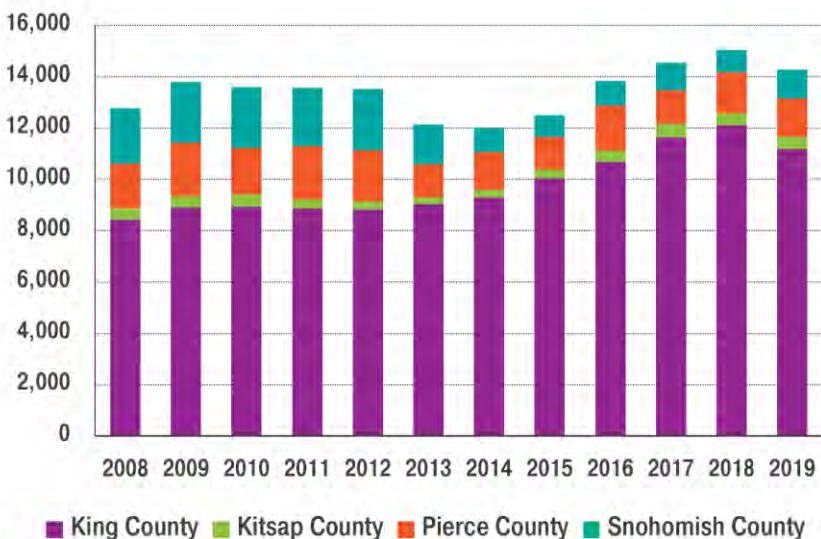
The annual Point-in-Time Count is a blitz count of sheltered and unsheltered people experiencing homelessness on one night.<sup>11</sup> Since 2008, the number of people without shelter increased by approximately 18 percent, driven by the number of unsheltered people nearly doubling in Pierce and King counties.

<sup>10</sup> Glynn, Chris, and Emily B. Fox. (2017). *Dynamics of homelessness in urban America*. Available <https://arxiv.org/abs/1707.09380>.

<sup>11</sup> This data is challenging to compare over time as the geography and ability to count people changes from year to year. Additionally, the collection methodology has changed since 2008



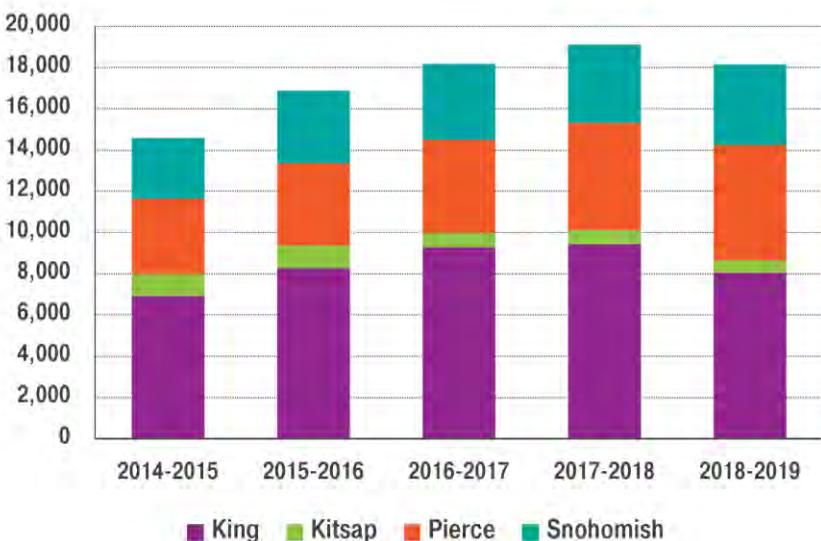
**Figure 28: Individuals Facing Homelessness, 2008-2019**



Source: Point in Time Counts

The McKinney-Vento Act<sup>12</sup> requires school districts to track the number of students experiencing homelessness every school year. The number of homeless students in the region increased by 57 percent from 2011 to 2016. Many of the students captured in the McKinney-Vento numbers are the unseen homeless, students living in motels, couch surfing, and living in cars and RVs.

**Figure 29: Students Facing Homelessness, 2015-2019**



Source: WA State Office of Superintendent of Public Instruction

<sup>12</sup> The McKinney-Vento Act defines homeless children as "individuals who lack a fixed, regular, and adequate nighttime residence." Examples of this include students living in motels and couch surfing.



Children in families experiencing homelessness or housing instability face unique challenges. They are at significantly greater risk of chronic absences and interruptions to their education through changing schools. This often leads to lower academic achievement and higher dropout rates.

### 3.12 DISPLACEMENT

Displacement occurs when housing or neighborhood conditions force residents to move. Displacement can be physical, when building conditions deteriorate – or economic, as costs rise. Communities of color and renter neighborhoods are at a higher risk of displacement.<sup>13</sup>

Gentrification is the influx of capital and higher income, more highly educated residents into lower income neighborhoods. Gentrification may not precede displacement although it is often assumed to be a precursor. Depending on the local and regional context, displacement may precede gentrification or the two may occur simultaneously.<sup>14</sup> Several key factors drive gentrification and displacement: proximity to rail stations, jobs centers, historic housing stock, and location in a strong real estate market. Gentrification and displacement are regional issues as they are inherently linked to shifts in the regional housing and job market.<sup>15</sup>

Often displacement occurs when new amenities are being added to a neighborhood that should be advantageous to existing residents but actually contribute to redevelopment. For example, focus group participants noted that redevelopment of affordable housing in the central Puget Sound region has forced many residents to move out of their existing homes.

*“A lot of people were displaced to build High Point, and the people who had been there couldn’t come back. There’s no talk about how that’s being preserved, it’s just being erased.”*

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<sup>13</sup> University of California Berkeley. (2015). Urban Displacement Project. Available at [http://www.urbandisplacement.org/sites/default/files/images/urban\\_displacement\\_project\\_-\\_executive\\_summary.pdf](http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf)

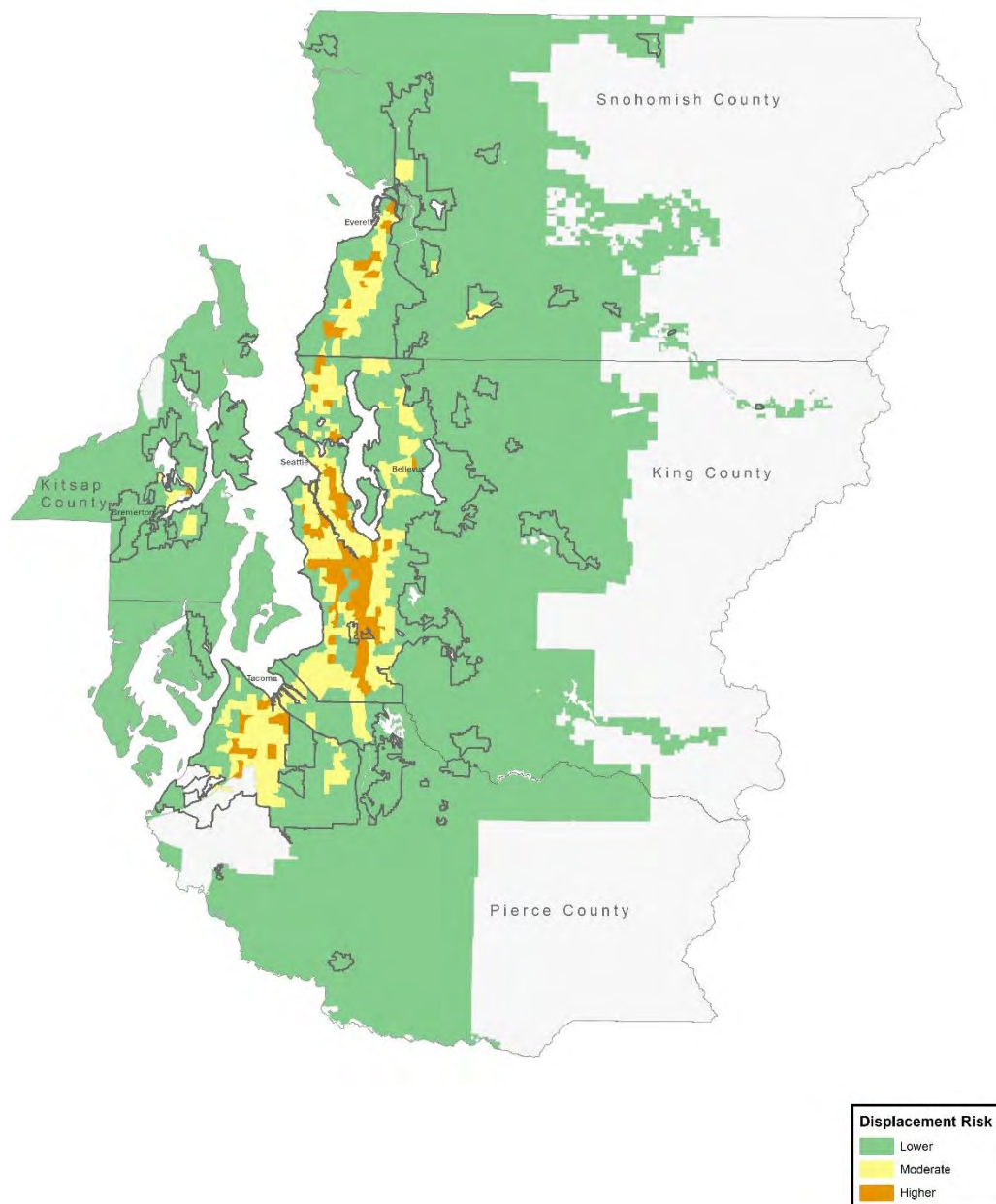
<sup>14</sup> Ibid.

<sup>15</sup> Ibid.



The **Displacement Risk Mapping Tool** uses a composite of indicators representing five elements of neighborhood displacement risks: socio-demographics, transportation qualities, neighborhood characteristics, housing, and civic engagement. The tool compiles census tract data from these five categories of measures to determine level of risk by neighborhood: lower, moderate, and higher. It can be used to better understand how growth may impact existing communities and when steps are needed to help existing residents and businesses remain in their communities.

**Figure 30: Displacement Risk**



Source: PSRC



PSRC regularly conducts a survey of households in the region to understand day-to-day travel behavior and household characteristics. PSRC added a question to the 2019 Household Travel Survey asking why people relocate in the four-county region. The responses shed light on how big a problem displacement is for households of different races, income levels and life cycles.

A quarter of the households who moved within the region in the last five years relocated because of negative factors like the cost of housing, lower income, loss of community, or being forced to move. This share was consistent for residents in all four counties. Housing cost was by far the main reason.

The 2019 survey data confirms a well-documented phenomenon about housing tenure: renters are much more likely than homeowners to be displaced. In both cases, though, housing cost was the most common displacement factor, with roughly 60 percent of renters and owners selecting this reason if they were displaced.

When it came to household size, one-person households cited displacement factors at a higher rate than others. One reason may be that larger households are more likely to have multiple income sources.

### **Displacement by Race**

One in five white households (22 percent) cited negative factors for leaving their homes, as did 14 percent of Asian households. But nearly one in three (30 percent) other households of people of color moved elsewhere because they had to – housing costs, forced to move, income change, or community leaving.

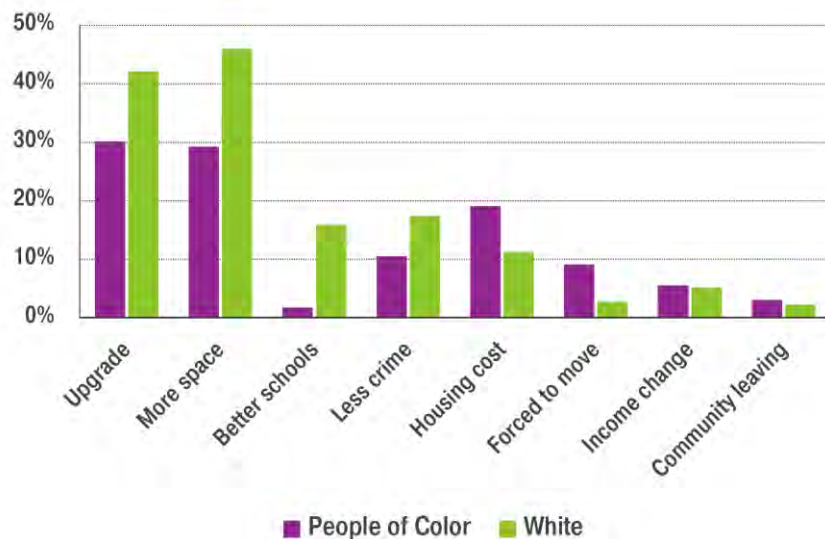
PSRC used three broad racial groups for this analysis. Since racial categories other than white and Asian were too small in the survey data to appropriately reflect the region's population, we grouped them under "Other People of Color." This includes African Americans, American Indian or Alaska Native, Native Hawaiian or Pacific Islander, Hispanics, multiracial groups.<sup>16</sup>

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<sup>16</sup> More information on methodology for the 2019 Household Travel Survey available online at <https://www.psrc.org/sites/default/files/hh-travel-survey-2019-racial-category-note.pdf>.



**Figure 31: Reason for Moving in Past Five Years, 2019**



Source: PSRC 2019 Household Travel Survey

### Differences by Income

Lower income households were much more likely than wealthier ones to be forced to move.

Fifty percent of households with incomes under \$25,000 had to move for negative reasons. Only 5percent of those earning \$150,000 or more annually had to relocate for reasons beyond their control.

Households at other income levels fell somewhere between those extremes. About a third of those in the \$25,000 to \$99,999 range moved for negative reasons, while 16 percent of those in the second-highest highest income bracket were forced to seek new housing.

Although their sample sizes were too small to report, the data indicate non-white households with the lowest incomes (under \$25,000) experienced more displacement than white households in the same income range.

### Impacts by Life Cycle

Displacement hit households with seniors harder. About one in three households with someone over 65 had a negative reason for leaving their previous residence. For all other households, it was around one in four.

Data could not be reported by race of households by life cycle because of small sample sizes. But when younger-adults and older-adults households are combined, Asian households had a lower proportion of displacement than Other People of Color households. The data also show that all people of color households with children had a greater rate of displacement than white households with children.



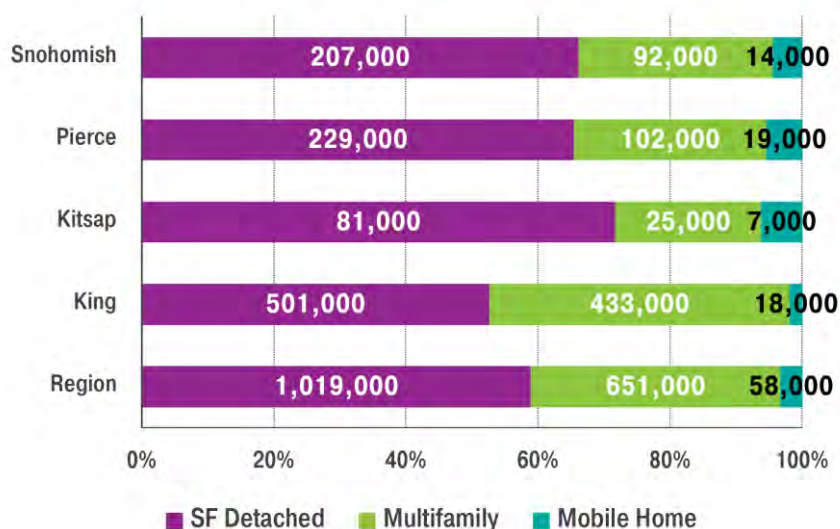
## 4 HOUSING SUPPLY

This section describes housing supply and development patterns in the region to understand the current housing inventory by type and differences across the region.

### 4.1 HOUSING UNITS

There are over one million single-family homes in the region. Of the total housing units in the region (1,727,919), a majority (59 percent) are single family detached homes. Figure 32 shows that housing type varies among the four counties. Detached single-family homes make up the largest percentage of the overall housing stock in Kitsap County (72 percent of all units by type). King County has the lowest overall share of single family detached among the counties at 53 percent and a significantly larger stock of multifamily homes. Mobile homes comprise a very small percentage of the total housing stock and do not account for more than 6 percent of the housing stock in any of the four counties.

**Figure 32: Units by Type, 2018**



Source: American Community Survey 5-Year Estimates



## Units in Structure

Figure 33: Units in Structure, 2018

	Region	King	Kitsap	Pierce	Snohomish
Single Family (attached + detached)	1,100,900	547,900	85,800	246,300	220,800
Duplexes	35,200	17,500	2,000	8,400	7,200
Multifamily (3 or 4 units)	64,800	37,100	2,800	14,200	10,700
Multifamily (5 to 19 units)	199,500	123,400	9,200	35,600	31,200
Multifamily (20+ units)	269,100	207,600	6,300	26,800	28,400
Mobile Homes	58,500	18,000	7,100	19,100	14,100
<b>Total</b>	<b>1,727,900</b>	<b>951,600</b>	<b>113,300</b>	<b>350,500</b>	<b>312,600</b>

Source: American Community Survey 5-Year Estimates

The majority of multifamily units are found in larger developments with 20+ units. Structures with more than 20 units make up 16 percent of all units in the region. King County has the highest share of units in these structures (22 percent), significantly more than any of the other counties. Units in structures with 2-19 units make up 17 percent of the units in the region. Kitsap County has the smallest share of units in structures with 12-19 units (12 percent).

## Age of Structure

Figure 34: Housing Stock by Year Built and Tenure, 2018



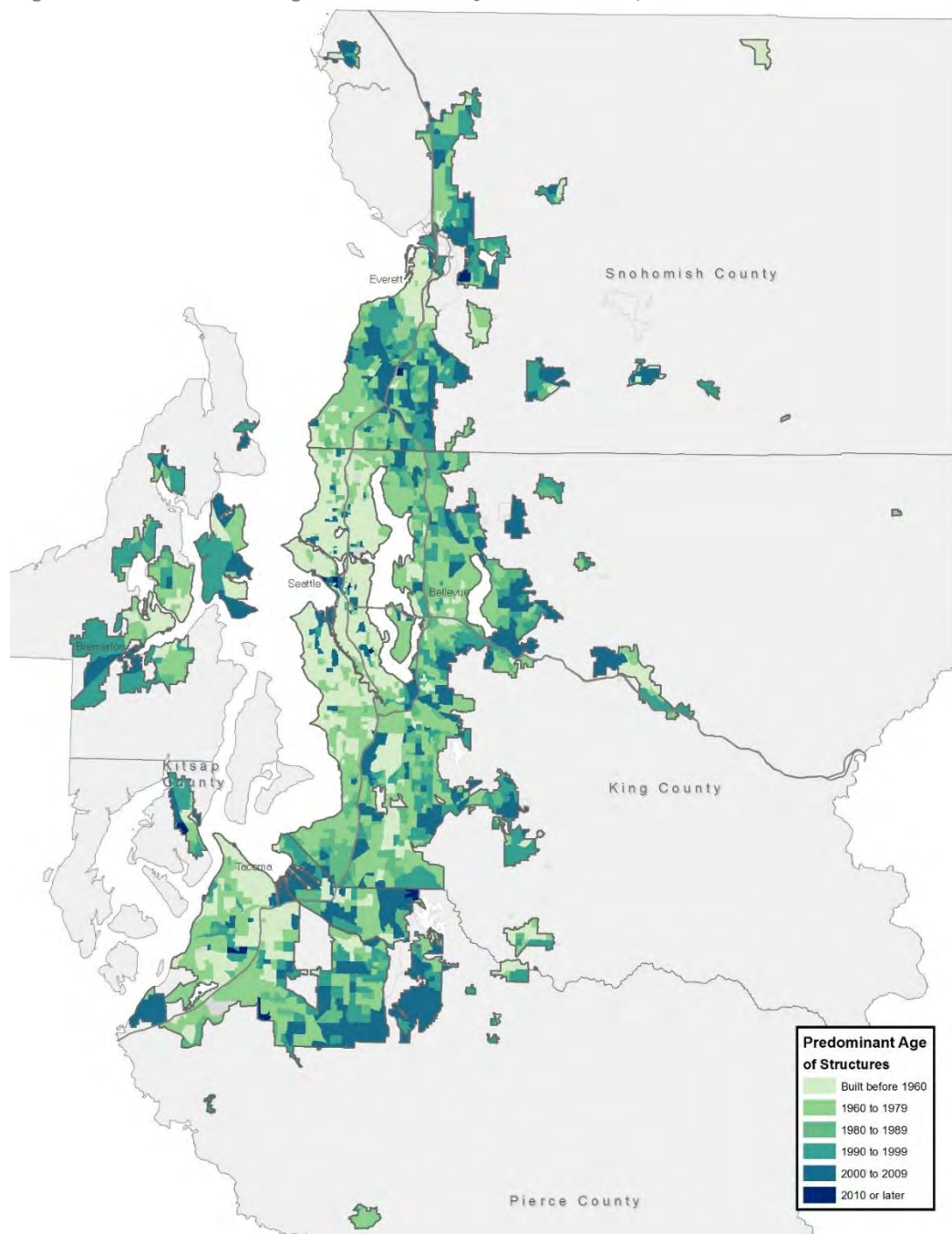
Source: American Community Survey 5-Year Estimates

Figure 34 looks at the region's housing stock by year built and tenure. This chart makes clear that the vast majority (76 percent) of region's housing stock is at least 20 years old, and much of the housing is aged 50+ years. Map 1 provides more information on where housing stock of different ages is located. The map shows that the predominant housing stock in the region's largest cities,



Seattle, Tacoma, and Everett, was built before 1960. Newer housing built since 2000 is the predominant housing age in more suburban areas and on the edges of the urban growth area. While the age of housing is not necessarily correlated with condition or type, older housing that has not been well maintained or remodeled over time may signal needed upgrades and investment.

**Figure 35: Predominant Age of Structure by Census Tract, 2018**



Source: ACS 2018 5-Year Estimates

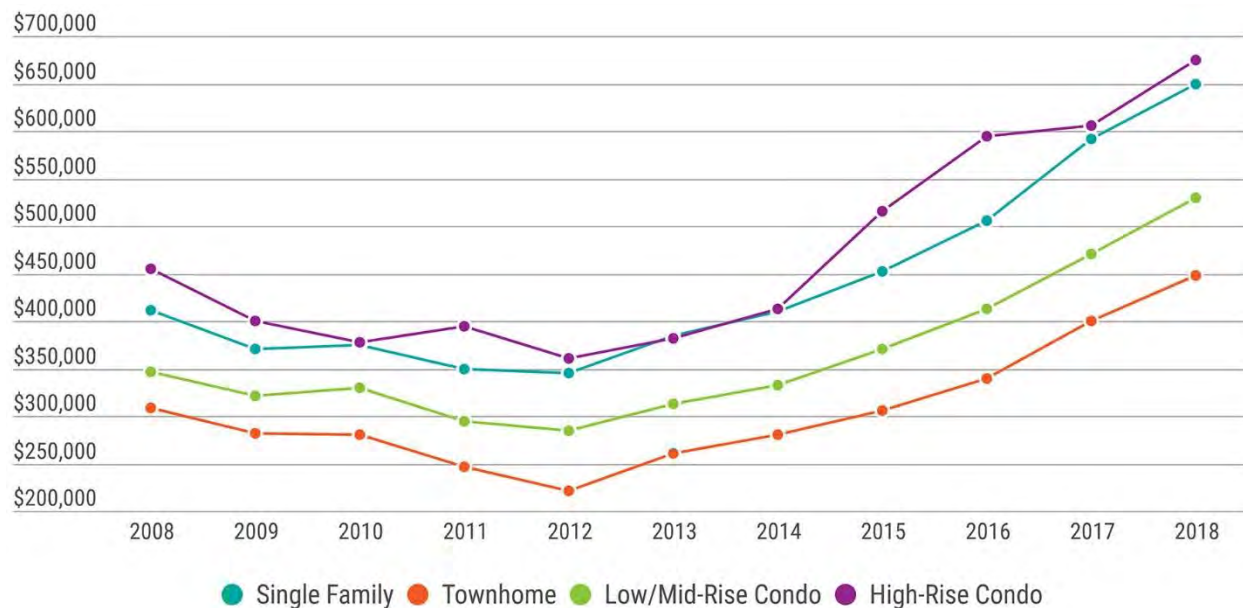


## 4.2 MISSING MIDDLE HOUSING

Middle density housing refers to a range of housing types — from duplexes to townhomes to low-rise multifamily developments — that bridge a gap between single-family housing and more intense multifamily and commercial areas. Middle density housing can help promote housing diversity, give people greater housing choices, and produce urban densities that support walkable communities, local retail and commercial services, and efficient public transit. Yet availability of these housing options is often few and far in between in many communities, hence the term “missing” middle housing.

PSRC analyzed King County assessor data for residential sales transactions to confirm whether and to what degree middle housing types can offer more affordable homeownership options in the local market. King County was chosen as a case study area, given a broader array of available housing types and larger sample sizes represented in its assessor sales database. Residential sales transactions were categorized into four housing types — detached single family, townhomes (or attached single family), low/mid-rise condo, and high-rise condo. Mobile homes were excluded from the analysis. The distinction between low/mid-rise and high-rise condo was determined based on construction class (e.g., masonry, wood frame, and prefab steel was considered low/mid-rise; structural steel and reinforced concrete was considered high-rise).

**Figure 36: Median Sale Price by Housing Type, 2008-2018**



Source: King County Assessor

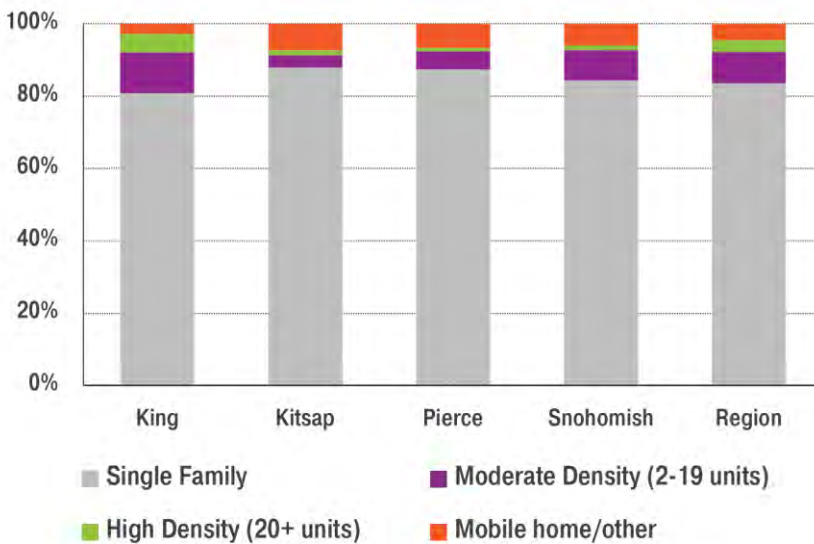
Over the past 10 years, the median sales prices of townhomes and low- to mid-rise condos were consistently and substantially lower than for single-family homes. In the period studied, the median price for townhome sales recorded to date (from September 2017 through September 2018) was \$448,000, 31 percent lower than the median price for single-family homes (\$650,000). The median



price for low- to mid-rise condos was \$530,000 or 18 percent lower than for single-family homes. High-rise condos, which are some of the most cost-intensive projects to build, came in with the highest median price of \$675,000.

Unit square footage is a key factor behind these price differentials, as the typical townhome and especially condominium unit is smaller than the standard detached single-family home. But in many urban markets, demand is growing for affordable homeownership options within walkable neighborhoods well served by local retail and amenities. Middle housing is small share of region's housing stock.

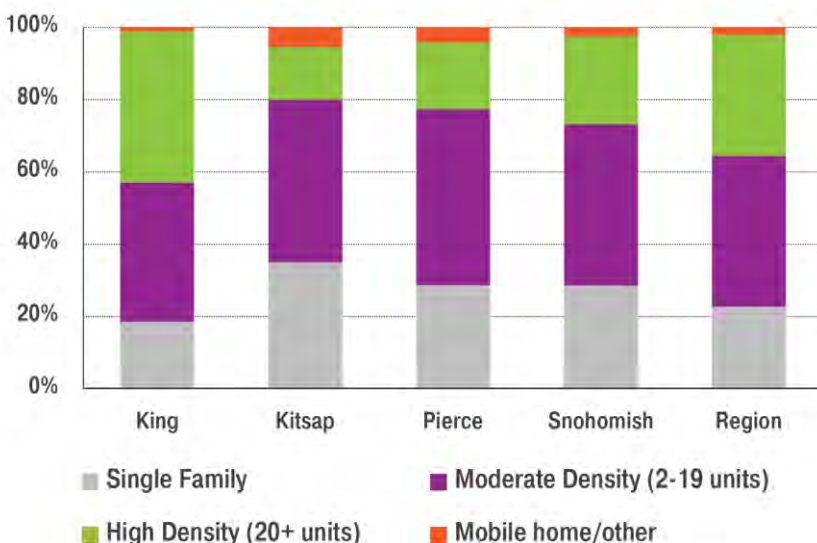
**Figure 37: Owner Occupied Housing by Units in Structure, 2018**



Source: American Community Survey 5-Year Estimates



**Figure 38: Renter Occupied Housing by Units in Structure, 2018**



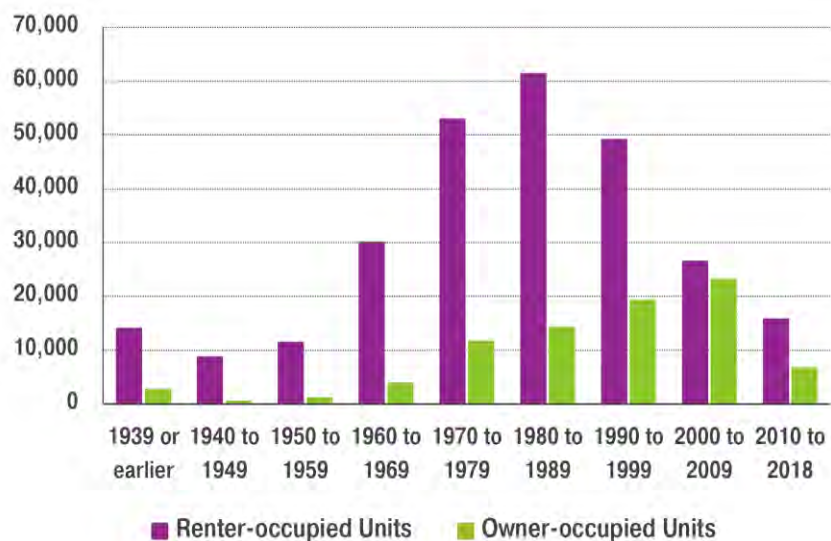
Source: American Community Survey 5-Year Estimates

When evaluating housing types by tenure, the overwhelming share (76 percent) of existing moderate density housing is renter-occupied, while 24 percent is owner-occupied. Moderate density options constitute 42 percent of the region's rental stock but only 9 percent of the ownership stock. Ownership housing is dominated by traditional detached single-family housing (84 percent).

Construction trends by decade for moderate density housing are different for rental and ownership housing. Construction of moderate density rental housing peaked during the 1980s and has been dropping off steadily since then. Construction of moderate density ownership housing, on the other hand, increased steadily through the 2000s, then dropped off noticeably during the current decade.



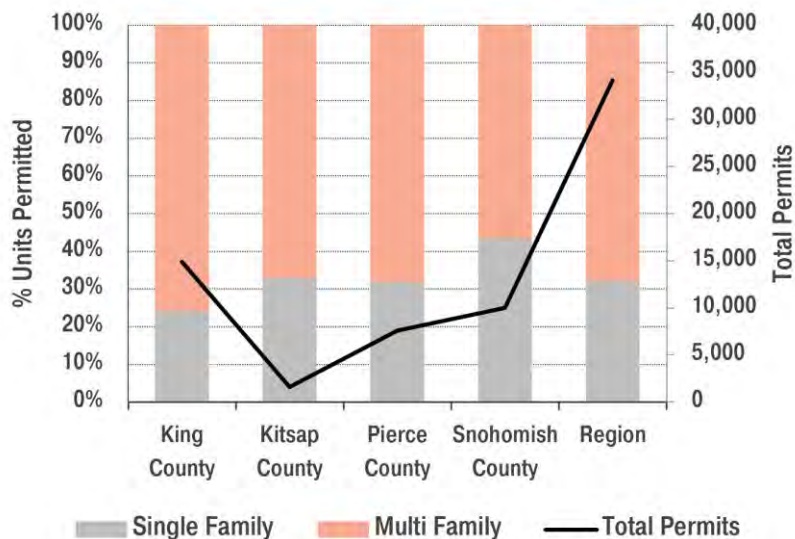
**Figure 39: Moderate Density Units by Year Built and Tenure**



Source: American Community Survey 5-Year Estimates

From 2010 to 2018, about 34,100 total units were permitted in areas zoned for moderate density development. This accounts for about 18 percent of residential permits in the region. Two-thirds (23,200) of those units were multifamily. These zones did result in a fair amount of new single-family development as well (10,900 units). The majority of these units were permitted in King County, specifically Seattle as shown in Figure 41.

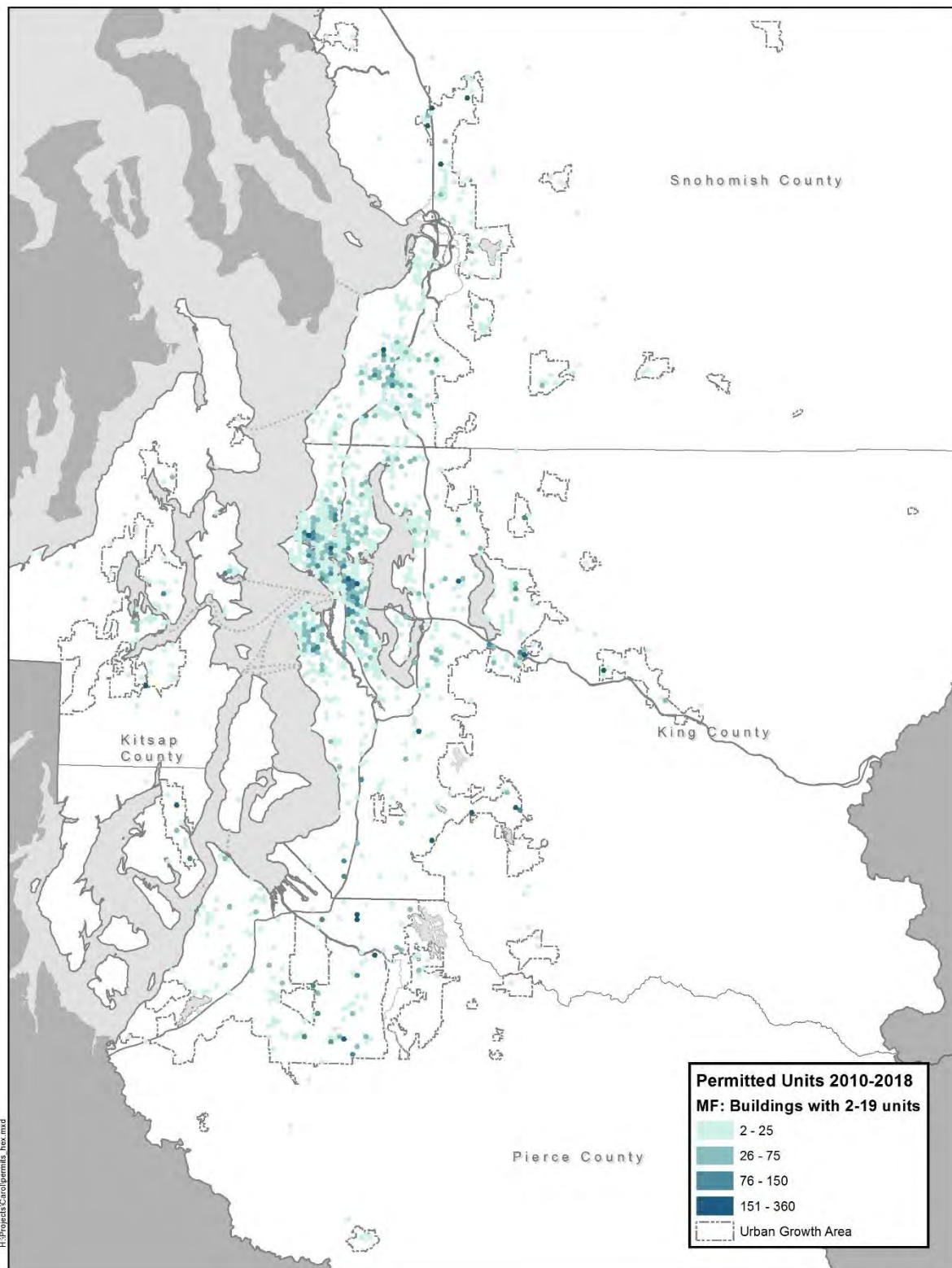
**Figure 40: Units Permitted in Areas Zoned for Moderate Density Development, 2010-2018**



Source: PSRC Residential Permit Database



Figure 41: Permitted Units in Multifamily 2-19 Unit Buildings, 2010-2018



Source: PSRC Residential Permit Database

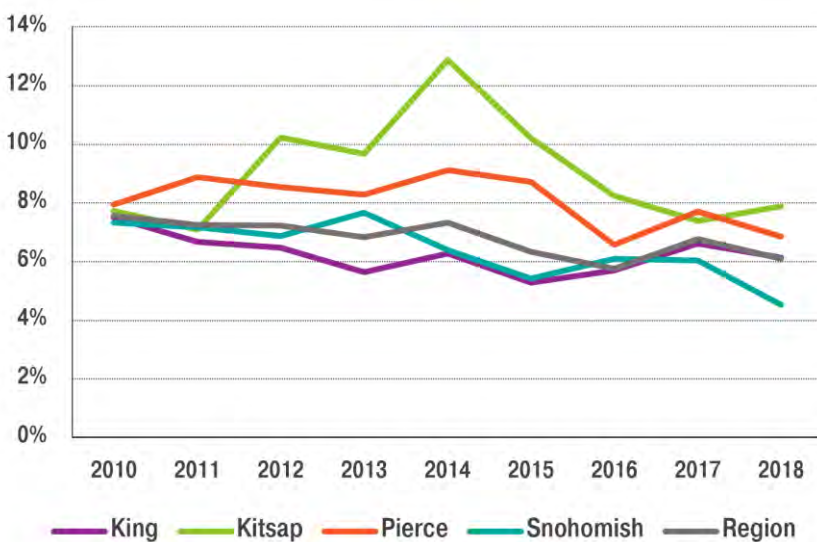


### 4.3 VACANCY RATES

Average vacancy rates differ for ownership and rental units. A 2018 study by the Lincoln Land Institute explored the variation experienced between rural and urban housing markets, as well as differences for cities of various size across the country. Taking a long-term view, average vacancy rates in the ownership housing market hover around 2 percent, increasing to 7-8 percent for rental housing.<sup>17</sup> Communities with rates significantly higher than this may be experiencing oversupply, associated with depressed property values and higher crime activity in affected areas. Low vacancy, by contrast, indicates tightness in the housing market, often paired with spikes in the cost of housing and displacement risk.

Vacancy rates continue to be historically low across the region. Figure 42 shows that vacancy rates increased in all four counties during the Great Recession but were lower regionally in 2018 than during the last peak in 2007. Early reports show that rental vacancy rates have decreased during the pandemic.<sup>18</sup> Participants of focus groups noted the “slim pickings” of housing available for rent and that this impacted their ability to live in their desired neighborhoods.

**Figure 42: Vacancy Rate, 2010-2018**



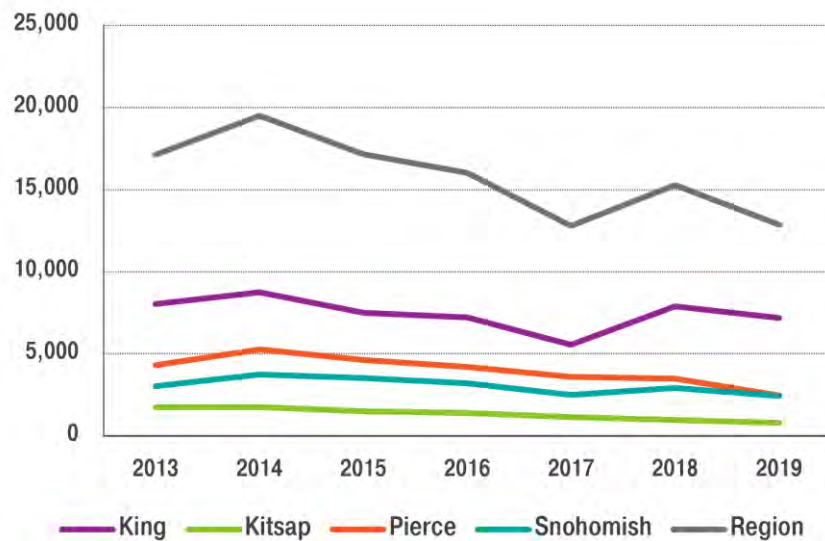
Source: American Community Survey 5-Year Estimates

<sup>17</sup> 3 Lincoln Land Institute, 2018 "The Empty House Next Door", <https://www.lincolnst.edu/sites/default/files/pubfiles/empty-house-next-door-full.pdf>

<sup>18</sup> Seattle PI, 2021, "Rental vacancy rate in Washington one of the lowest in the country", <https://www.seattlepi.com/realestate/article/rental-vacancy-washington-one-of-lowest-15970116.php>



**Figure 43: For Sale Inventory, 2013-2019**



Source: Zillow

The number of available homeownership opportunities, often measured by the inventory of residential properties for sale, is at a historic low. All counties have seen declines, with the most dramatic contraction in for-sale inventory in King County.



## 5 HOUSING AFFORDABILITY

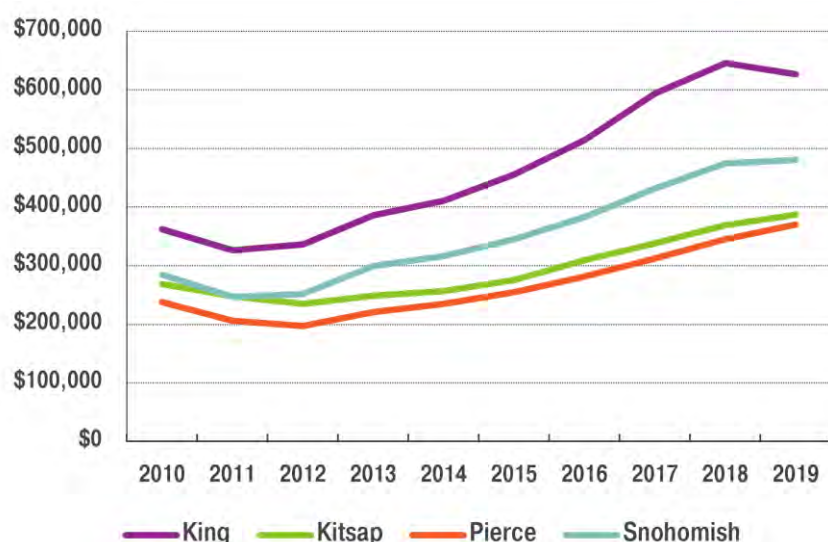
Affordability is critical to providing housing choices. This section discusses ownership and rental costs, unit availability and income restricted housing across housing submarkets.

### 5.1 OWNERSHIP HOUSING

The Case-Schiller Home Price Index shows the Seattle metro area, comprised of King, Pierce, and Snohomish counties, has led the nation in annual housing cost increases for the past five years.<sup>19</sup> From 2012 to 2018, home prices climbed 67 percent. From 2016 to 2017, home prices in the Seattle metro area went up 10 percent, a rate of over \$5 every hour.<sup>20</sup> A household needs to earn \$145,000 annually (equivalent to a wage of \$70 per hour) to afford the median priced home in King County in 2018.

While all home prices are increasing, the price gap is widening among the counties, with King County home prices close to double the cost of homes in Kitsap and Pierce counties (Figure 44).

**Figure 44: Median Home Value, 2010-2019**



Source: Zillow

<sup>19</sup> Case Schiller Home Price Index (2018). Available <https://us.spindices.com/index-family/real-estate/sp-corelogic-case-schiller>

<sup>20</sup> WCRER, 2017



**Figure 45: Home Value, 2018**



Source: American Community Survey 5-Year Estimates

Assessing the distribution of home value across the region helps to underscore areas of greater and less affordability that may be masked by median home value. King County accounts for the lion's share of very expensive homes in the region –over 90,000 of the region's 106,000 homes valued at over \$1 million are located in King County. Nearly one in five homes in King County is valued at over \$1 million.

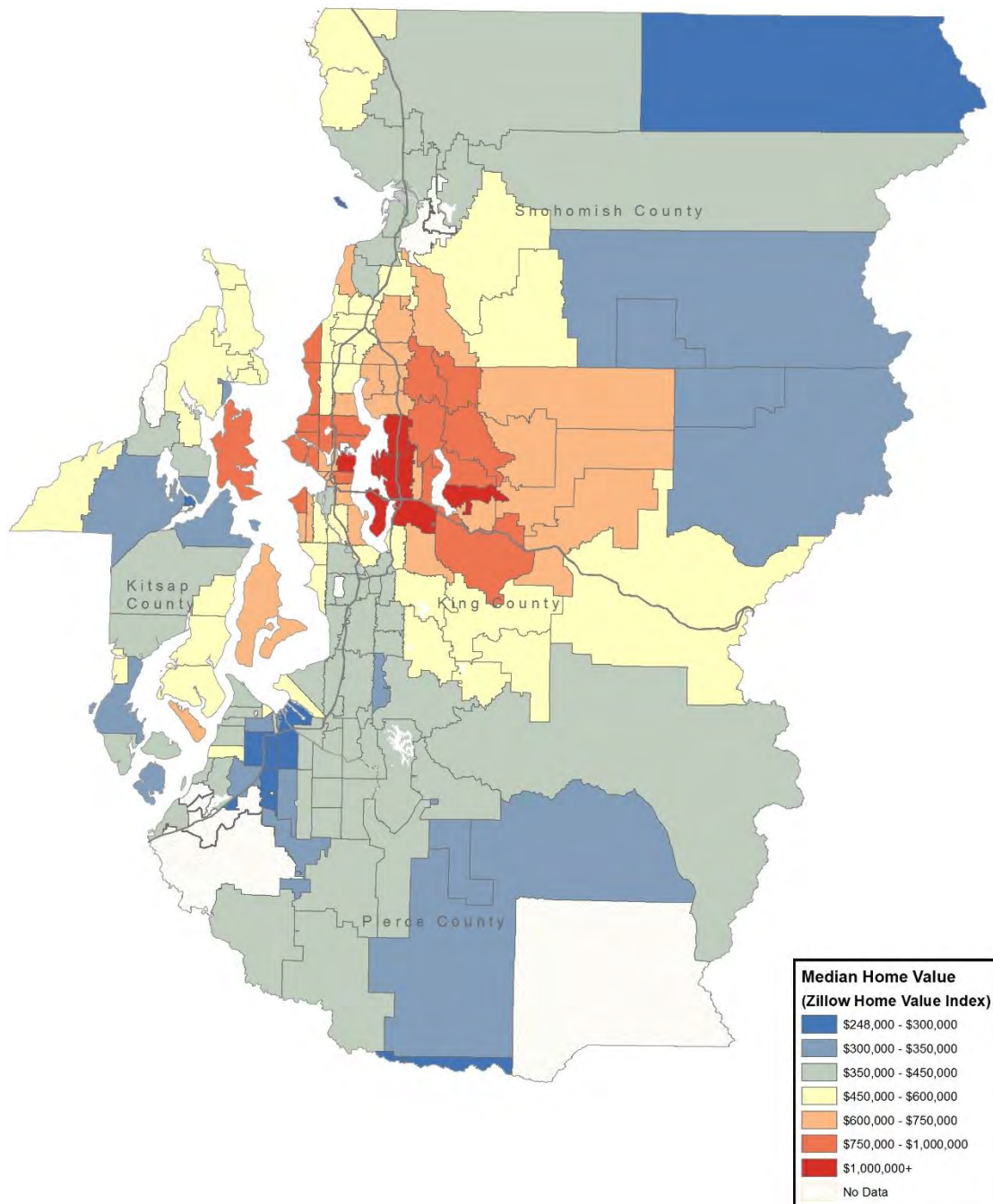
Pierce and Kitsap counties have the most homes under \$500,000. Snohomish County has fewer homes valued under \$300,000 but significant stock between \$300,000-750,000. Only 10 percent of King County's homes are under \$300,000.

Figure 45 shows home value<sup>21</sup> by zip code area. The highest valued homes are concentrated in the inner neighborhoods and waterfront areas of Seattle, broadly across east King County, and Bainbridge Island. Areas with much lower average home values include much of Pierce County, Kitsap County, and in Snohomish County north from Everett.

<sup>21</sup> Map 3 shows Zillow Home Value Index (ZHVI): A smoothed, seasonally adjusted measure of the median estimated home value across a given region and housing type. It is a dollar-denominated [alternative to repeat-sales indices](#).



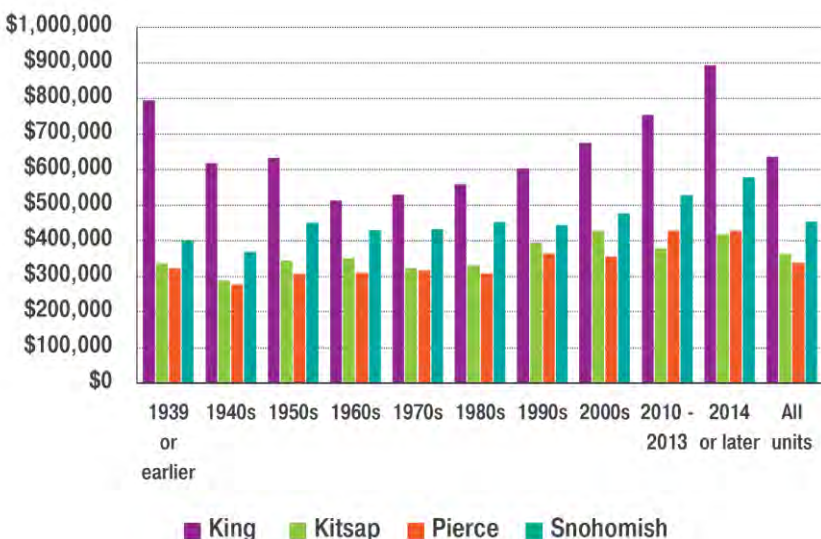
**Figure 45: Median Home Value by Zip Code, 2020**



Source: Zillow



**Figure 46: Median Home Value by Year Built, 2018**



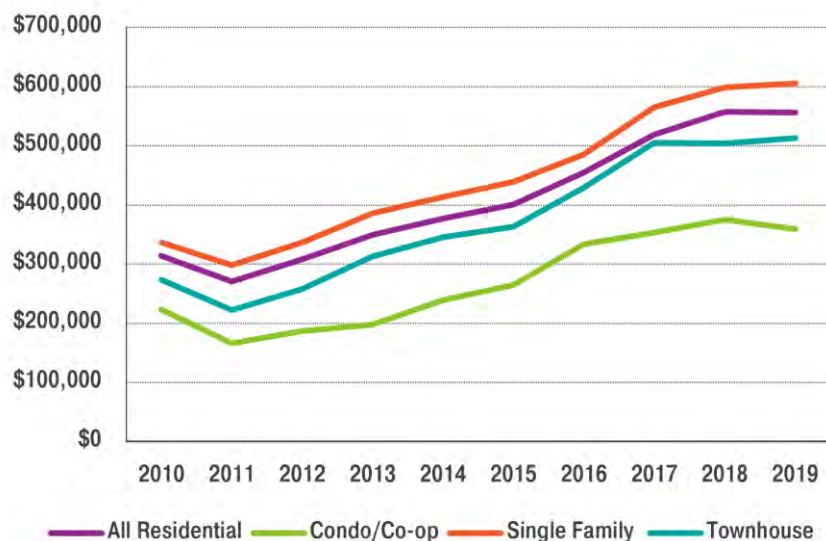
Source: American Community Survey 5-Year Estimates

Older homes, built in 1939 or earlier, also tend to be more expensive due to location – housing built prior to the World War II tends to be closer to historic job centers, public transit, and more dense urban neighborhoods with higher land values – as well as higher historic architectural value. The difference among counties is most pronounced in homes built before 1939 and after 2014. Homes built before 1939 are almost double in price in King County compared to the other counties. The median value of new homes, built in 2014 or later, is substantially higher than for units built before 2014.

Housing prices also vary by housing type. Sales data for the Seattle metro area by housing type shows that, on average, townhomes and condominiums cost less than detached single-family homes, as illustrated in Figure 47.



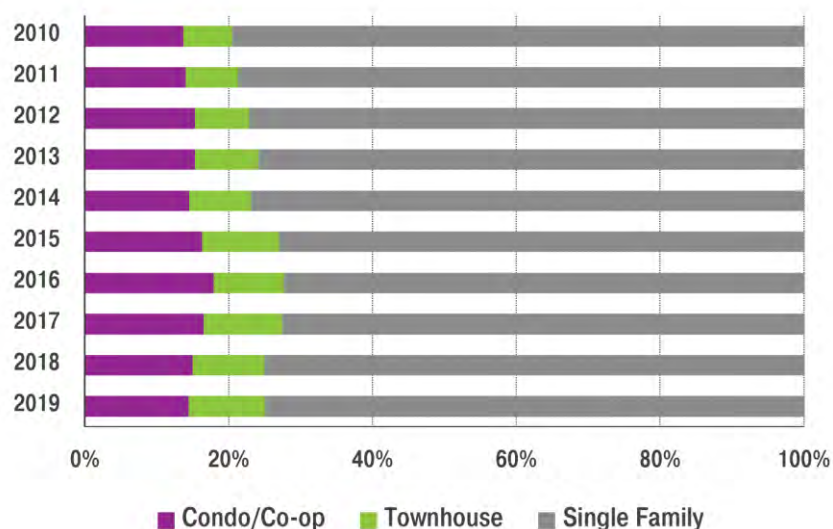
**Figure 47: Median Sales Price, 2019**



Source: Redfin

Condominiums and townhomes have traditionally served as entryways for first time homeowners. Figure 48 shows that while the inventory of townhomes and condominiums has grown slightly since 2010, single family homes represent the majority of the housing inventory.

**Figure 48: Homes Sold by Unit Type, 2019**



Source: Redfin

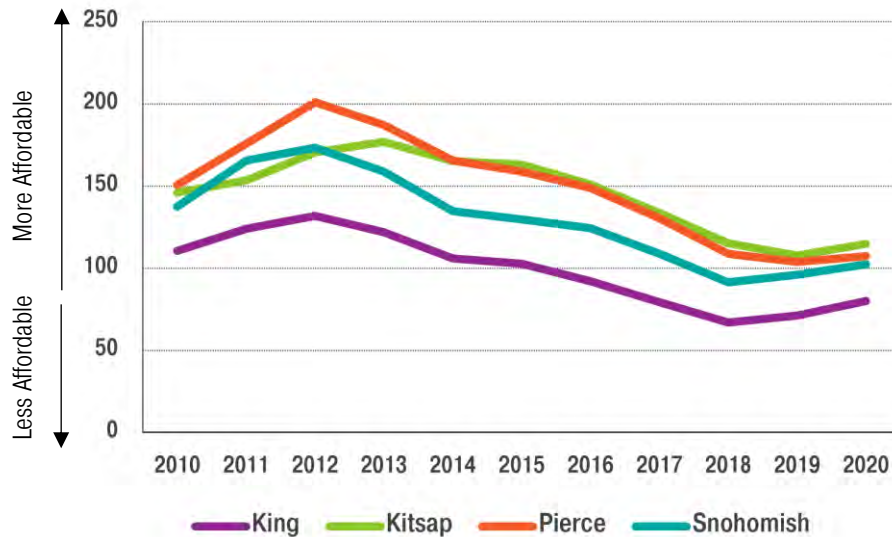
### Home Ownership

Homeownership opportunities are becoming less accessible to middle- and lower-income households. The Washington Center for Real Estate Research maintains a Housing Affordability Index (HAI) to track, at the county-level, the affordability of the median priced single-family home for



the typical family earning median family income (HAMFI). An index of 100 indicates balance between income and home prices; higher scores on the index indicate greater affordability, and lower scores indicate less affordability. Quarterly indices indicate that affordability has been decreasing across all four counties. King County has been below the 100 threshold over the last two years, while the other three counties have remained at or above (Figure 49).

**Figure 49: Housing Affordability Index, Q1 2010-2020**



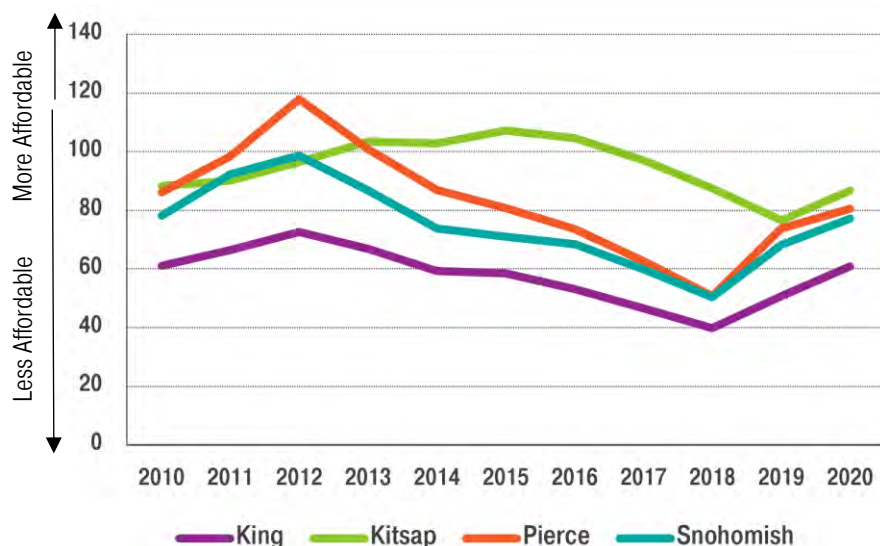
Source: Washington Center for Real Estate Research

The First Time Buyer Housing Affordability Index<sup>22</sup> shows all four counties substantially below the “balance” threshold. The lower index numbers in Figure 50 highlight the increasing difficulty for prospective first-time buyers to own a home.

<sup>22</sup> The first-time buyers index assumes a household earning 70percent of median household income, home at 85percent median price, lower down payment assumption and additional cost for mortgage insurance.



**Figure 50: Housing Affordability Index - First Time Buyer, Q1 2010-2020**



Source: Washington Center for Real Estate Research

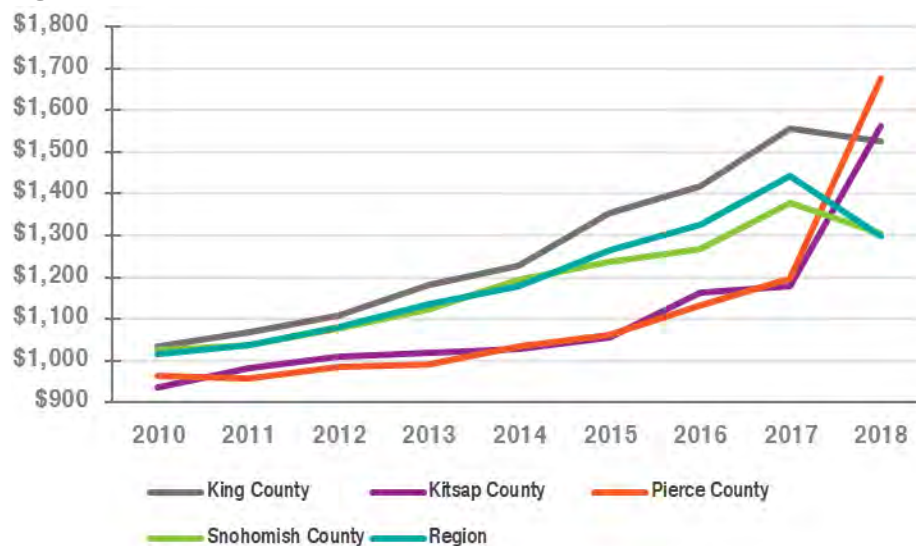
## 5.2 RENTAL HOUSING

Similar to home ownership prices, rent<sup>23</sup> has also risen significantly since 2012. Rent varies significantly among the counties, with King County rents significantly higher than the other three counties. From 2010 to 2020, rents increased over 50 percent, with a 2-4 percent increase in each county from 2019 to 2020. Over the ten-year period, Snohomish County saw the largest increase in average asking rent (64 percent) and King County saw the smallest increase (46 percent). While median rents are increasing across the region, the rent gap is widening among the counties.

<sup>23</sup> Trends in rent can be assessed by looking at changes in median rent, the middle point in rent prices, indicating that 50 percent of rents are higher and lower than the median; or by the average which takes the total rent divided by the number of units. The average rent can be skewed by relatively few units with very high or low rents. This analysis uses both metrics because different rental data sources use median and average rent. Note that the median and average rent cannot be used interchangeably.



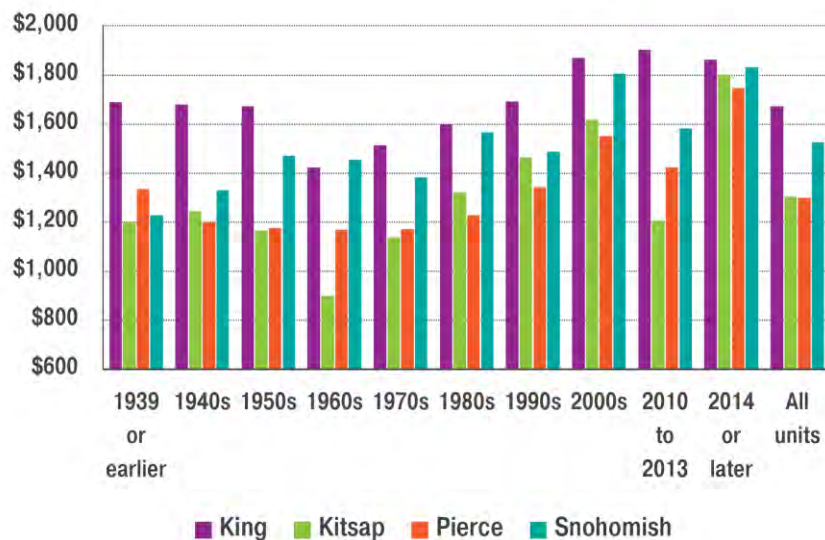
**Figure 51: Median Gross Rent, 2010-2018**



Source: American Community Survey 5-Year Estimates

While there is limited data, the impacts of the COVID-19 pandemic are reflected in more recent rental data. Average rent decreased less than 1 percent from 2019 to 2020 in King, Kitsap, Snohomish, and average rent is up a little over 3 percent in Pierce County.

**Figure 52: Median Gross Rent by Year Built, 2018**



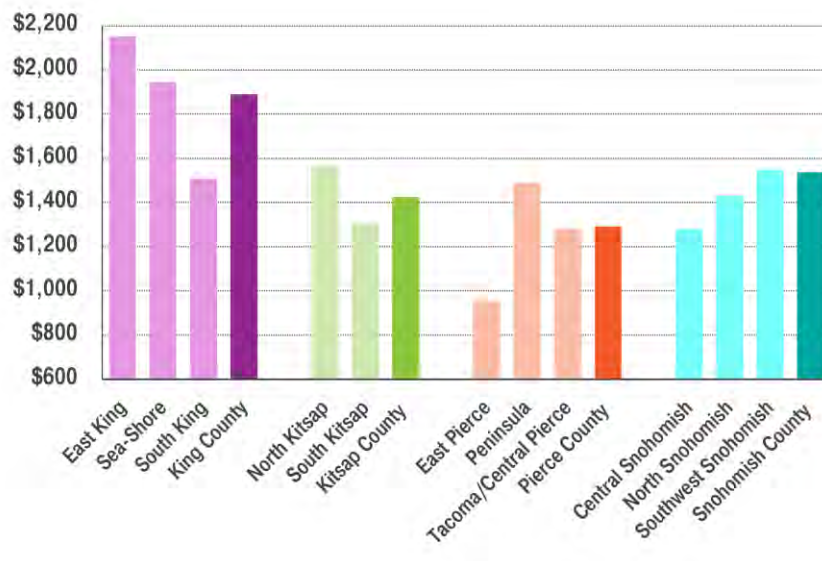
Source: American Community Survey 5-Year Estimates

Older (pre-1940's) and newer (after 2000) units tend to rent for more due to location – housing built prior to WWII tends to be closer to historic job centers, public transit, and more dense urban neighborhoods with higher land values. The difference among rents by county is less pronounced



than home value. However, rents in older units tend to be more expensive in King County. Rents are most consistent among the counties in structures built after 2014.

**Figure 53: Average Asking Rent by Subarea, Q1 2020**



Source: CoStar

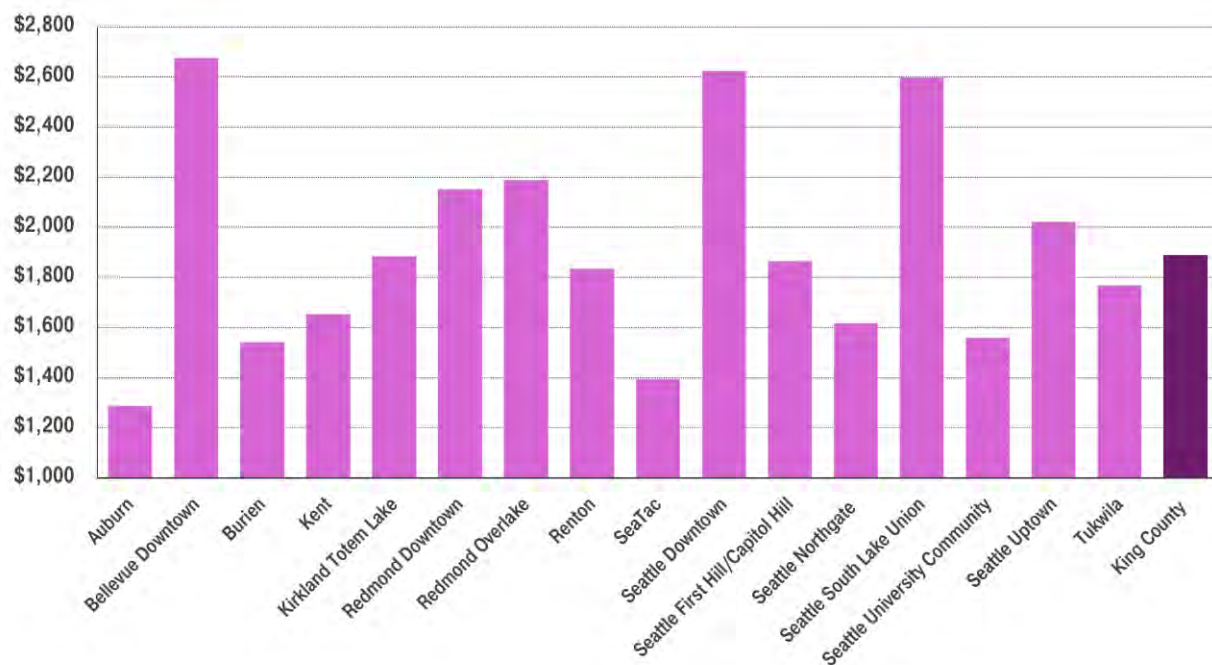
Average rent by subarea shows some variation masked when average rent is rolled up at the county level. It also helps to identify areas with a greater stock of existing naturally-occurring affordable housing. Rents in East King are nearly 15 percent higher than the county as a whole, while on average rents in South King are close to 20 percent lower than the county average. In Pierce County, rents in the Peninsula subarea are over 15 percent more than the county. Average rents in Central Snohomish are over 15 percent less than the countywide average.



## Rent in Regional Growth Centers

Market rate rents within Regional Growth Centers<sup>24</sup>, overall, are higher than the regional average. However, there is great variability in rents among centers as shown in Figures 54-57.

Figure 54: Average Asking Rent in King County Regional Growth Centers, Q1 2020

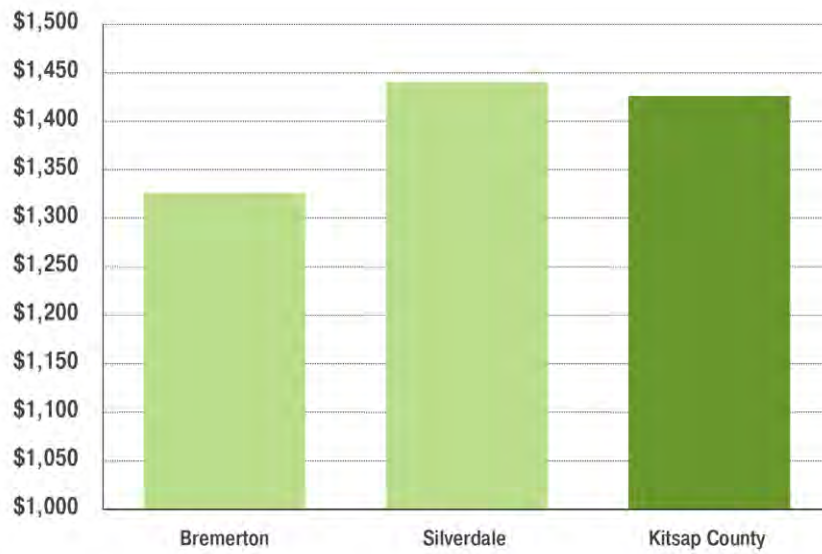


Source: CoStar

<sup>24</sup>Regional Growth Centers are regionally designated places characterized by compact, pedestrian-oriented development, with a mix of uses. While relatively small geographically, centers are strategic places to receive a significant proportion of future population and employment growth.

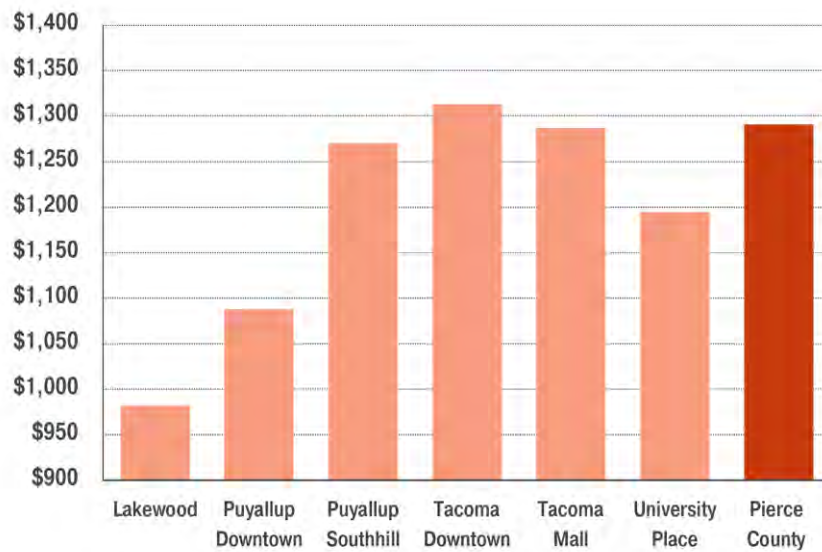


Figure 55: Average Asking Rent in Kitsap County Regional Growth Centers, Q1 2020



Source: CoStar

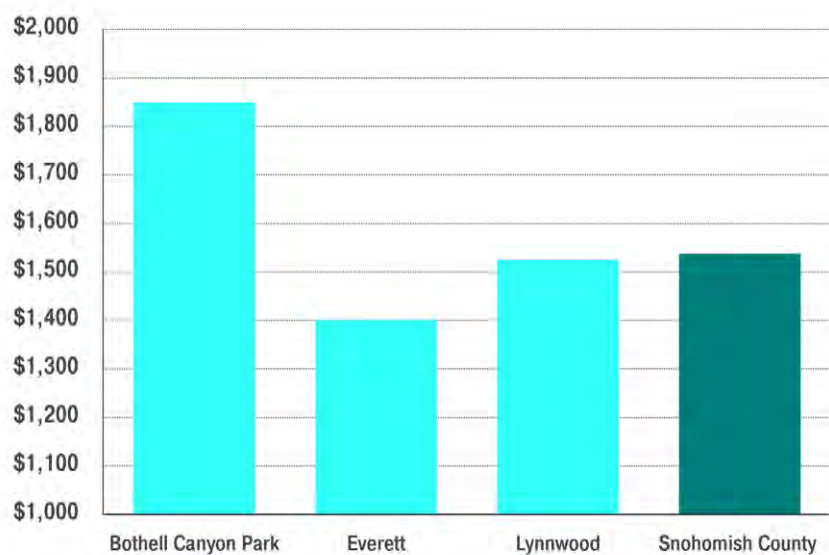
Figure 56: Average Asking Rent in Pierce County Regional Growth Centers, Q1 2020



Source: CoStar



Figure 57: Average Asking Rent in Snohomish County Regional Growth Centers, Q1 2020



Source: CoStar

Centers in Seattle, Bellevue, and Redmond, all of which have seen significant new multifamily development, have the highest average rents<sup>25</sup>, pushing above \$2,000 in some locations. These centers are also in close proximity to job centers. At the lower end are centers which contain some of the region's more affordable market rate housing, typically in older buildings.

#### Rent in High Capacity Transit Areas

Similar to regional growth centers, this is significant variability in rents in other areas served by high capacity transit<sup>26</sup> as shown in Figure 58.

<sup>25</sup> Average asking rent for multifamily rental units in building with 5+ units.

<sup>26</sup> A select set of transit station areas were selected for this analysis based on the availability of CoStar market rate rental data.



Figure 58: Average Asking Rent in High Capacity Transit Areas, Q1 2020

County	Station Area	Mode	Status	Average Rent	Comparison to County Avg Rent
King	Kirkland Transit Center	BRT	Online	\$1,866	-1%
	Kenmore P&R	BRT	Future	\$1,540	-23%
	Angle Lake	Light Rail	Future	\$1,452	-30%
	Roosevelt	Light Rail	Planned	\$1,782	-6%
	Tukwila International Blvd	Light Rail	Online	\$1,285	-47%
	Beacon Hill	Light Rail	Online	\$1,328	-42%
	Othello	Light Rail	Online	\$1,801	-5%
	Bel-Red/130th	Light Rail	Future	\$1,696	-11%
	NE 185th	Light Rail	Future	\$1,576	-20%
	Mercer Island	Light Rail	Future	\$2,378	21%
Kitsap	Bainbridge Ferry Terminal	Ferry	Online	\$2,397	41%
Pierce	Fife	Light Rail	Future	\$1,239	-4%
	South Tacoma	Commuter Rail	Online	\$609	-112%
	SR 7/38th	BRT	Future	\$877	-47%
	SR 7/122nd	BRT	Future	\$1,074	-20%
Snohomish	SR 527/153rd St SE	BRT	Online	\$1,921	20%
	SR 99/216th	BRT	Online	\$1,175	-31%
	Edmonds	Ferry	Online	\$1,531	0%
	Mountlake Terrace	Light Rail	Future	\$1,797	14%
	Ash Way	Light Rail	Future	\$1,775	13%
	Mariner	Light Rail	Future	\$1,457	-5%

Source: CoStar

Many station areas have average rents below the county average – especially true for many station areas further from job centers and/or with future transit several years out and limited existing transit access. These areas may present opportunities to preserve the existing naturally occurring affordable housing as the local market heats up as transit service and other investment moves forward.



**Affordable Housing**<sup>27</sup> is commonly defined as housing costs not exceeding 30percent of household income. Paying more than 30 percent of income on housing costs reduces a household's budget available for other basic necessities.

With increasing incomes and a surge in demand for housing, the region is experiencing an affordability crisis not seen since the World War II.<sup>28</sup> Many middle and lower income households struggle to find housing that fits their income in an increasingly competitive and expensive housing market. As affordable housing options become scarce, households are forced to move farther from their jobs and communities, resulting in increased traffic congestion, and fragmentation of communities.

### Many types of households struggle with housing costs

#### 3 person HH earning 30% AMI



- > Full-time worker earning \$12/hr
- > Cashier earning \$25,401
- > Home health aid earning \$25,864

#### 2 person HH earning 50% AMI



- > Full-time worker earning \$16/hr
- > Teacher earning \$37,447
- > Restaurant cook earning \$30,281

#### 4 person HH earning 80% AMI



- > Two full-time workers each earning \$33/hr or one full-time worker earning \$17/hr
- > Accountant earning \$69,940
- > Office clerk earning \$37,566 and a security guard earning \$32,427

Courtesy: Community Attributes, King County Regional Affordable Housing Task Force  
Source: King and Snohomish Counties, WA ESD, 2017

## 5.3 HOUSING AND TRANSPORTATION

Since 1984, the Bureau of Labor Statistics has reported that transportation costs are the second largest expense for households after housing.<sup>29</sup> A more complete understanding of household cost burden looks at housing and transportation costs together. A household is considered cost burdened if their combined housing and transportation costs exceed 50 percent of their income. Factoring in the recommended 30 percent of income spent on housing, the formula allows for 15 Percent of a household's income to be spent on transportation costs. Figure 59 shows areas that are more affordable for a household earning the area median income when only looking at housing costs. Figure 60 shows areas that are more and less affordable for a household earning AMI when looking at both housing and transportation costs.

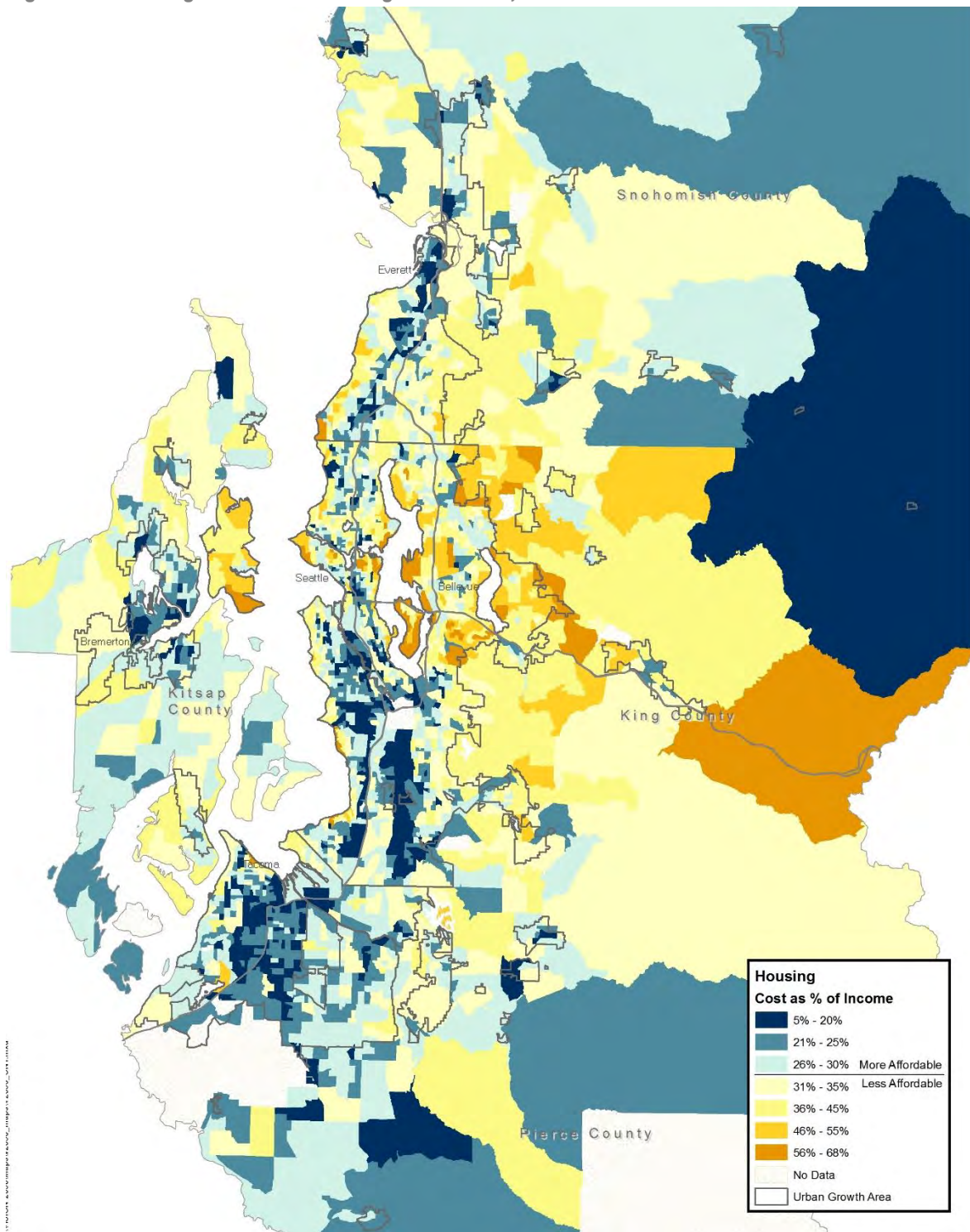
<sup>27</sup> This analysis refers to "affordable housing" as any housing that meet the threshold of not exceeding 30percent of a household's income. Housing that is deemed affordable because of subsidies or income/rent restrictions is expressly noted.

<sup>28</sup> City of Seattle. (2015) Housing Affordability and Livability Agenda. Available at [http://murray.seattle.gov/wp-content/uploads/2015/07/HALA\\_Report\\_2015.pdf](http://murray.seattle.gov/wp-content/uploads/2015/07/HALA_Report_2015.pdf)

<sup>29</sup> Bernstein, Scott, Carrie Makarewicz, and Kevin McCarty. (2005) *Driven to Spend*. Available at: [http://www.busadvocates.org/articles/householdcosts/Driven\\_to\\_Spend\\_Report.pdf](http://www.busadvocates.org/articles/householdcosts/Driven_to_Spend_Report.pdf)



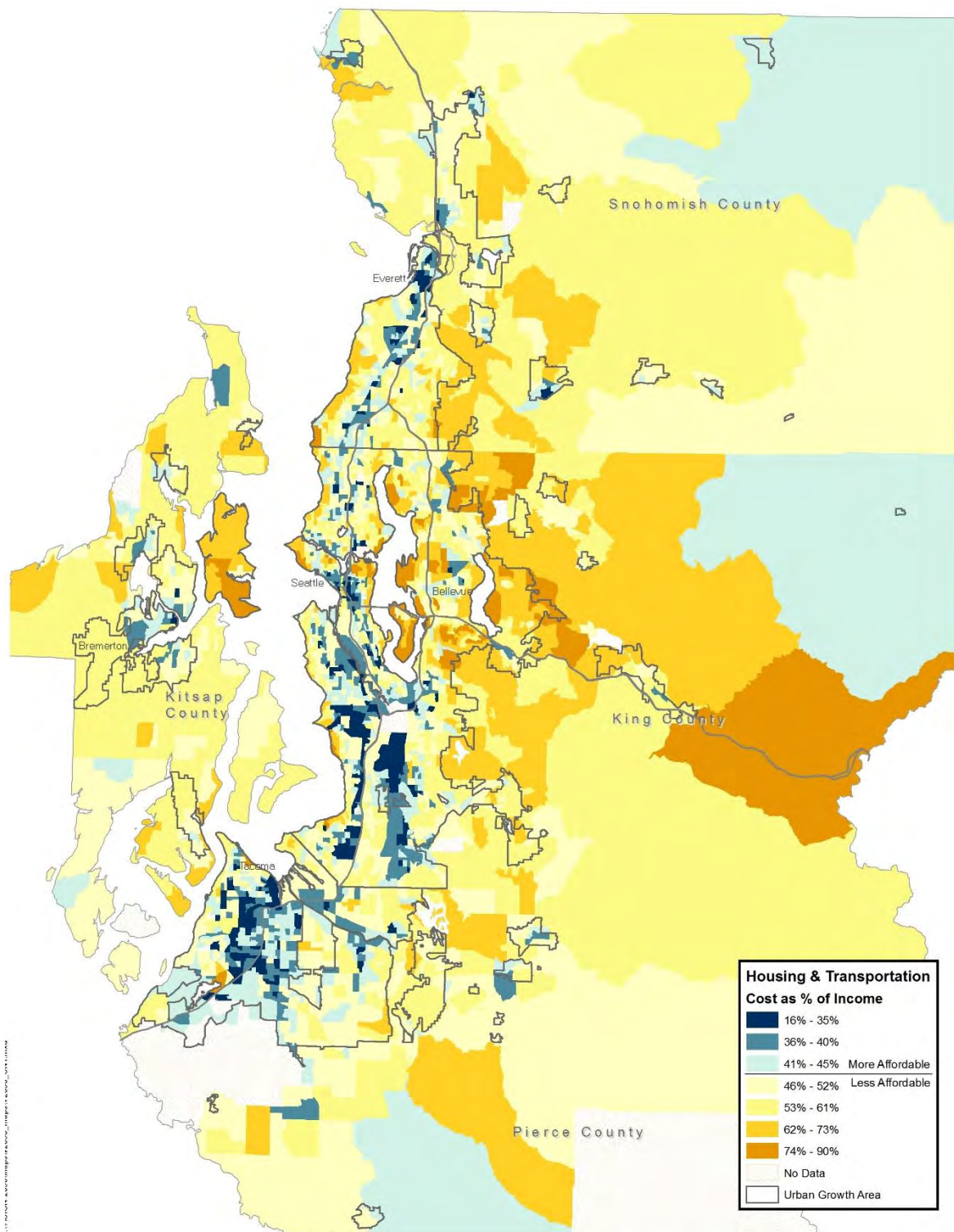
Figure 59: Housing Costs as Percentage of Income, 2016



Source: Center for Neighborhood Technology



Figure 60: Housing and Transportation Costs as Percentage of Income, 2016



Source: Center for Neighborhood Technology



For the central Puget Sound region, the typical household spends 50 percent of its income on transportation and housing. Housing accounts for 31 percent of these expenses with the remaining 19 percent attributed to transportation costs.<sup>30</sup> This far exceeds the suggested 45 percent of income criterion and demonstrates that many households in the region are cost burdened not only by housing costs, but also by transportation.

Housing and transportation costs are generally lower along the I-5 corridor, in areas well-served by transit, and in sections of south King County, Tacoma, and areas of western Pierce County. Costs are higher in east King County, Bainbridge Island, and more rural areas farther from major transportation corridors.

As housing costs rise, many households are forced to move to less expensive housing that is often farther from jobs, services, and their established communities. Thus, while moving farther afield may lower housing costs, the added transportation costs (fuel, time, need for additional vehicles, etc.) may not lower costs overall. Several participants of focus groups noted that the cost of maintaining their vehicle is an added expense to their cost of living and increases the wear and tear on their car overall.

There are other costs associated with long commute times that are not only monetary. Many participants of focus groups cited long travel times between their jobs and other destinations as costing them time to spend with family, loss of connection with their community, and associated impacts to their physical and mental health.

*"There's a physical strain on your body from the lack of exercise, the stagnant time we spend commuting."*

*"It costs your sanity if you don't have those ways to destress."*

## **5.4 HOUSING AVAILABILITY**

It is important to consider that market-rate rental units affordable at or below a given income threshold can be occupied by households with incomes higher than that threshold.

Understanding whether rental housing is affordable to renters requires finding out if housing units affordable to households with incomes at or below the 30 percent, 50 percent, and 80 percent of AMI thresholds are actually available to households with incomes at or below these thresholds.

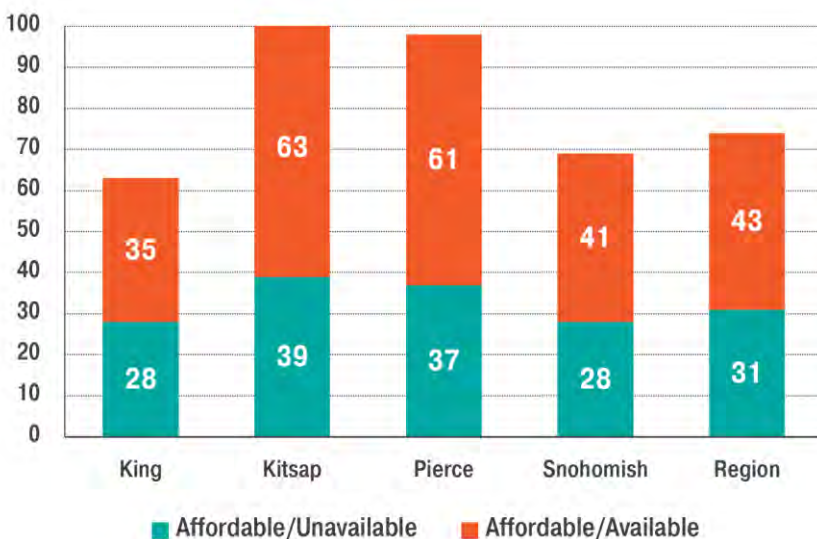
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<sup>30</sup> Center for Neighborhood Technology. (2017) *H+T Fact Sheet MPO: Puget Sound Regional Council*. Available at: <http://htaindex.cnt.org/fact-sheets/?lat=47.6062095&lng=-122.3320708&focus=mpo&gid=172#fs>



Overall, there are substantial shortfalls in both total affordable units as well as available units in all three AMI categories in all four counties. These findings can also be expressed in ratios. For example, for every 100 renter households who have incomes at or below 80 percent of AMI, there are 74 affordable units. However, 31 of these affordable units are occupied by households with incomes above 80 percent of AMI. Thus, for every 100 renter households with incomes at or below 80 percent of AMI, there are estimated to be only 43 rental units that are affordable and available.

**Figure 61: Rental Units Affordable and Available to Households Below 80percent AMI, 2018**



Source: American Community Survey Public Use Microdata Sample

## 5.5 INCOME RESTRICTED HOUSING

Homes provided by the private market are an integral part of housing in the region. However, the private market alone cannot provide housing for all residents. Income restricted units (often also referred to as subsidized units) – made possible with federal, state, and local funding and incentives that ensure long-term rent or income restrictions – provide affordable housing that the private market cannot. Rent restrictions are typically set at 30 percent of the household’s income, meaning that, ideally, no one living in a subsidized unit is cost burdened. Income restricted units are typically targeted to meet the needs of low and very low-income households as well as who need specific services.

There are income restricted units located throughout the region, with the majority concentrated in the region’s five Metropolitan cities: Seattle, Bellevue, Tacoma, Everett, and Bremerton.

As summarized in Figure 62, a recent regional inventory of income restricted units tallied over 83,000 units across the four counties. The majority of income restricted units (70 percent) are located in King County. Nearly all (99 percent) of units are affordable to households earning less



than 80percent AMI. About half of all income restricted units in each county are targeted at households earning 51-80 percent AMI. Slightly less than one-quarter of units (23 percent) are affordable to households earning less than 30 percent AMI. There is greater variation in the number of these units with King County, accounting for 27 percent of its inventory and 8 percent of Snohomish County's total inventory.

The majority (62 percent) of income restricted units are studios or one-bedroom units. Two- and three-bedroom units account for nearly half of all units in Kitsap, Pierce, and Snohomish County. There is an extremely limited supply (3 percent) of 4 or more-bedroom units. Figure 63 shows the number of income restricted units affordable to households earning less than 80 percent AMI by census tract.

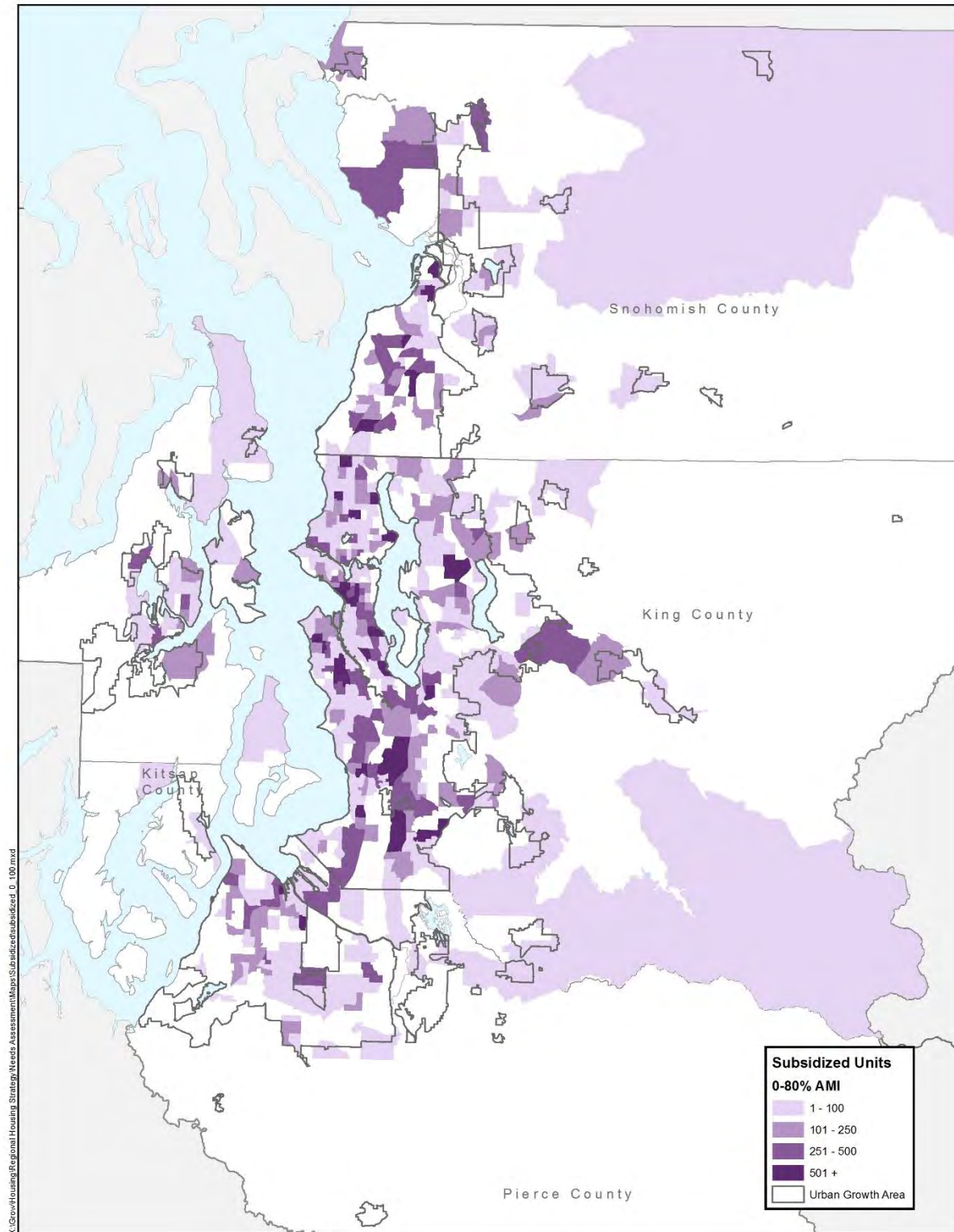
**Figure 62: Regional Income Restricted Housing Inventory, 2020**

	King County	Kitsap County	Pierce County	Snohomish County	Region
<b>Total Units</b>	58,392	3,065	9,249	12,805	83,511
<b>Total Units Affordable to HH Earning Less than 30% AMI</b>	15,765	443	1,722	970	18,900
<b>Total Units Affordable to HH Earning 31%-50% AMI</b>	11,927	975	3,050	3,590	19,542
<b>Total Units Affordable to HH Earning 51%-80% AMI</b>	29,990	1,647	4,476	8,245	44,358
<b>Total Units Affordable to HH Earning 81%-100% AMI</b>	710	0	1	0	711
<b>Total Studio and 1 Bedrooms</b>	38,239	1,747	5,556	6,139	51,681
<b>Total 2 and 3 Bedrooms</b>	22,152	1,795	3,959	7,132	35,038
<b>Total 4 Bedrooms or More</b>	1,586	58	97	789	2,530

Source: PSRC Regional Income Restricted Housing Database



**Figure 63: Income Restricted Housing Units 0-80percent AMI by Census Tract, 2020**



Source: PSRC Regional Income Restricted Housing Database



In addition to looking at the total number and geographic distribution of income restricted units, this needs assessment considers the location of units in relation to access to opportunity and communities at higher risk of displacement. Neighborhoods matter for the well-being of families. Moving from lower-opportunity neighborhoods to higher-opportunity neighborhoods has been shown<sup>31</sup> to improve later-life outcomes for children whose families move and may reduce the intergenerational persistence of poverty. PSRC's [Opportunity Mapping](#) shows access to opportunity based on an index of neighborhood characteristics and positive life outcomes. The index includes education, economic health, housing and neighborhood quality, mobility and transportation, and health and environment. Figure 64 shows the location of income restricted units overlaid on the Opportunity Mapping.

However, it is important to acknowledge that there are many reasons people choose the location of their housing. While focus group participants shared the importance of living near jobs, health care, and other components used in the opportunity index, being close to their community and having culturally relevant resources, such as an availability of Mexican food at the grocery store or access to a hairdresser, are also important.

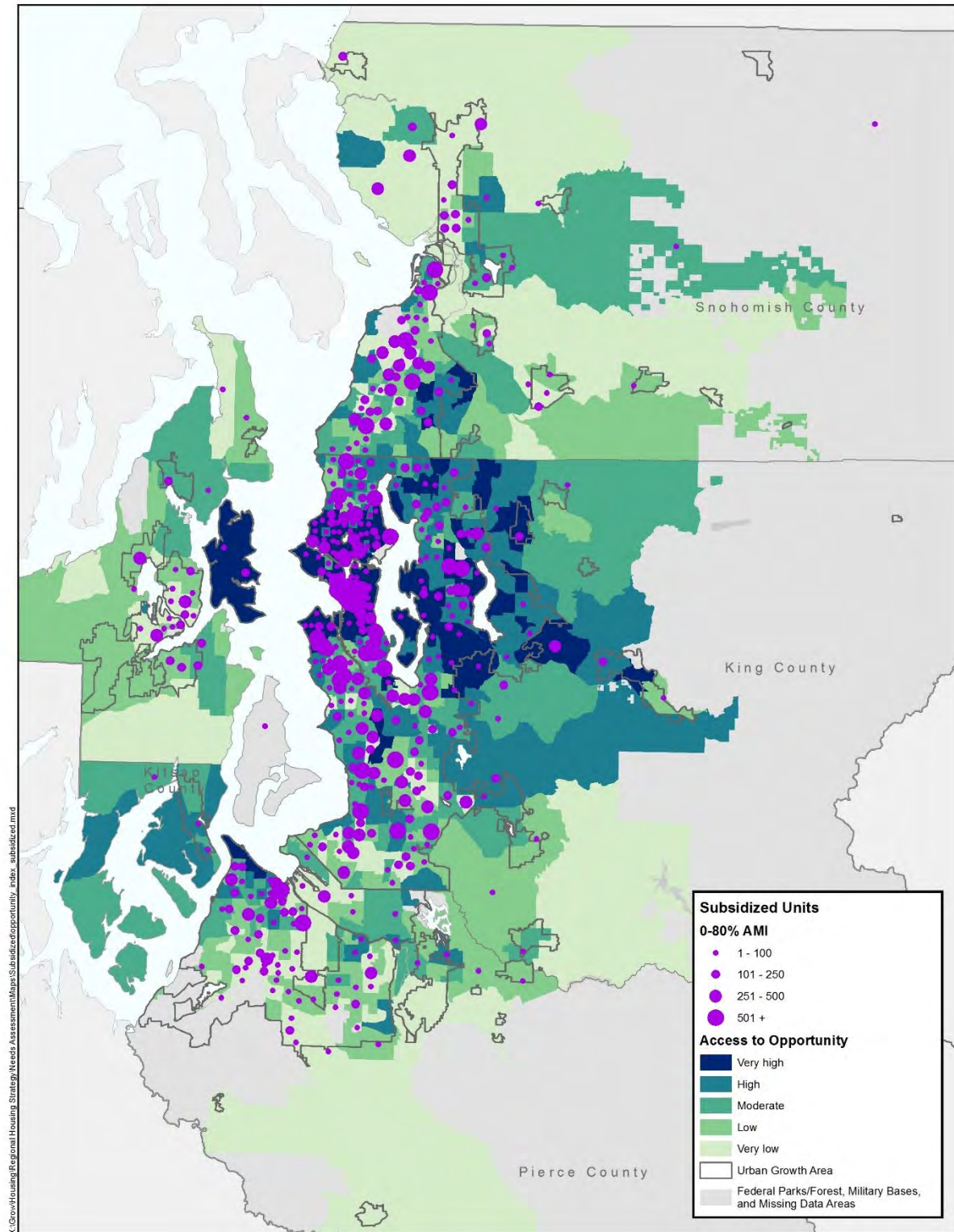
There are larger concentrations of income restricted units in lower opportunity areas including south King County, central Pierce County, and north Snohomish County. There are little to no subsidized units in some higher opportunity areas, specifically southwest Snohomish County, east King County, and Bainbridge Island.

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<sup>31</sup> Opportunity Insights, 2019, <https://opportunityinsights.org/neighborhoods/>



Figure 64: Income Restricted Housing Units 0-80percent AMI and Access to Opportunity, 2020



Source: PSRC Regional Income Restricted Housing Database

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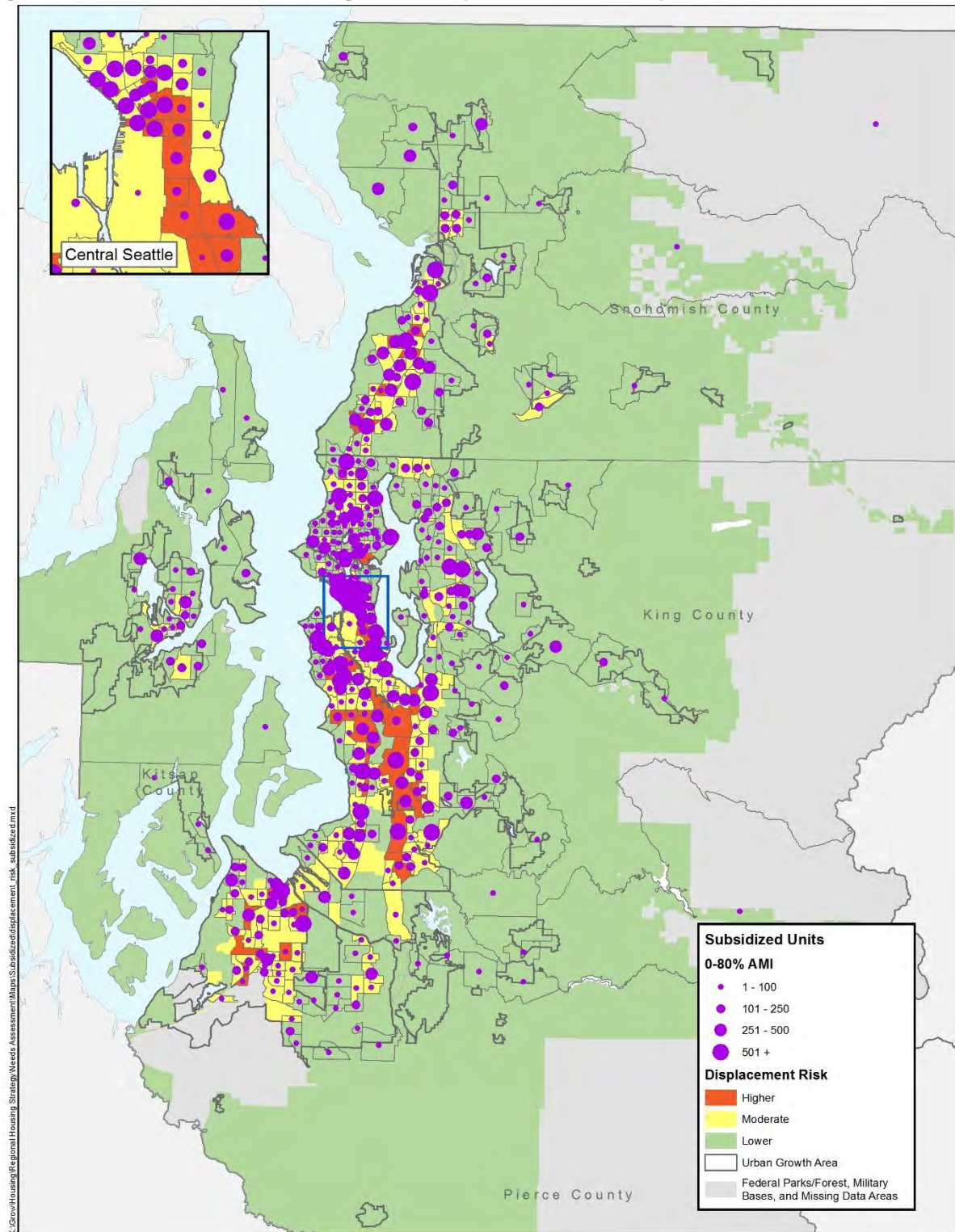


Figure 65 shows the income restricted units overlaid on PSRC's [Displacement Risk Mapping](#), a tool used to identify what neighborhoods in the region are at higher risk of displacement so policy makers can prevent it from happening in the future. Displacement risk is a composite of indicators representing five elements of neighborhood displacement risks: socio-demographics, transportation qualities, neighborhood characteristics, housing, and civic engagement.

Overall, there are larger concentrations of income restricted units in areas of moderate to high risk of displacement than in areas at lower risk of displacement. These income restricted units are critical to ensure affordable housing options are available so that long-term residents can continue to live in these communities and new residents of all incomes have housing options. The need for long-term income restricted units in moderate and high-risk areas will only increase as public investments, such as the expansion of light rail and bus rapid transit continue into Pierce and Snohomish counties, and high home prices in central places in close proximity to jobs push residents farther from jobs, services, and cultural connections.



Figure 65: Income Restricted Housing Units 0-80percent AMI and Displacement Risk, 2020



Source: PSRC Regional Income Restricted Housing Database



Many participants of focus groups are residents of income restricted units. Participants shared that in addition to the limited supply of these units, there are other downfalls of the current supply of these units. These shortcomings mean that residents may not feel connected to the place they live and do not consider it home. Restrictions such as having guests and visitors and making cosmetic changes to units were seen as degrading.

*"It's degrading. You can't call it home. It's not a home."*

*"They control what color you can paint your walls, who can be there. There's a lack of investment when you don't feel ownership over your space."*

*"With families, someone gets into affordable housing, and they have a relative that's on the brink, so they bring that person in, and some programs have restrictions around that. That puts the whole family at risk of losing their housing."*

Additionally, participants noted the role that income and employment restrictions, and lack of other housing options, has in keeping them in income restricted units and not moving on to the private market. Particularly given the upfront costs of moving into long-term housing, participants raised concern about the income limits within most affordable housing and childcare assistance programs that excludes them as soon as they begin to get back on their feet.

*"It's almost like you're meant to stay at a certain income level and not exceed that, like they don't want you to thrive. Do I survive? Or do I overwork myself to thrive? And what happens to your children in that process, in either choice."*

While many income restricted units provide long-term rent or income restrictions, many do expire after a set period of time. This expiration creates instability in neighborhoods where long term residents may no longer be able to afford new rental pricing.

*"Or it's only affordable for a period of time, and then it's for the regular going price, so no longer affordable."*



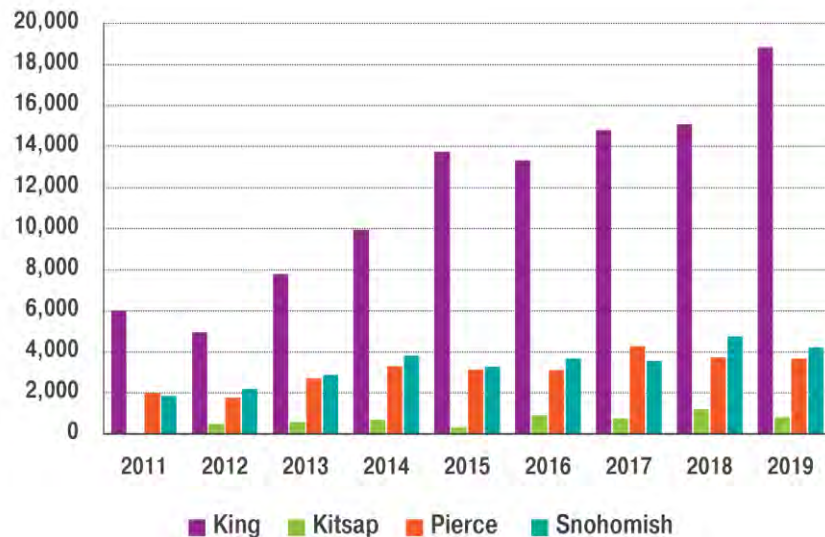
## 6 HOUSING MARKET TRENDS

This section describes recent trends in housing development across the region, including trends in areas planned for significant growth in regional growth centers and near high-capacity transit.

### 6.1 HOUSING PRODUCTION

Annual housing production has increased markedly since the Great Recession, with King County developing nearly 99,000 units since 2011. The most recent housing production data, 2010-2019, is not a ten-year period, and thus not directly comparable with past decades. However, given annual housing production averaged about 20,000 units, it is unlikely that annual housing production from 2019-2020 will fill the gap to bring decennial housing production in line with the historic trend for past decades.

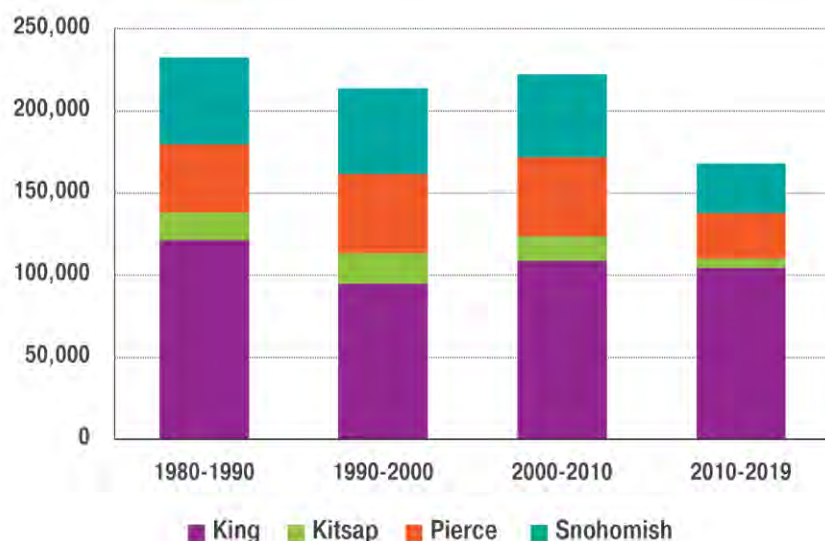
**Figure 66: Annual Housing Production, 2011-2019**



Source: WA State Office of Financial Management



**Figure 67: Decennial Housing Production, 1980-2019**



Source: WA State Office of Financial Management

Availability and cost of suitable zoned land and market forces impacting the construction industry make development of moderately priced housing difficult. Many local land use regulations favor lower density development, and the construction industry is employing about 20 percent fewer people than in 2007.<sup>32</sup>

Overall, annual housing production has picked up in recent years, with the bulk of new housing units being constructed in King County. Pierce County saw an uptick in housing construction in 2017, compared to Kitsap and Snohomish counties.

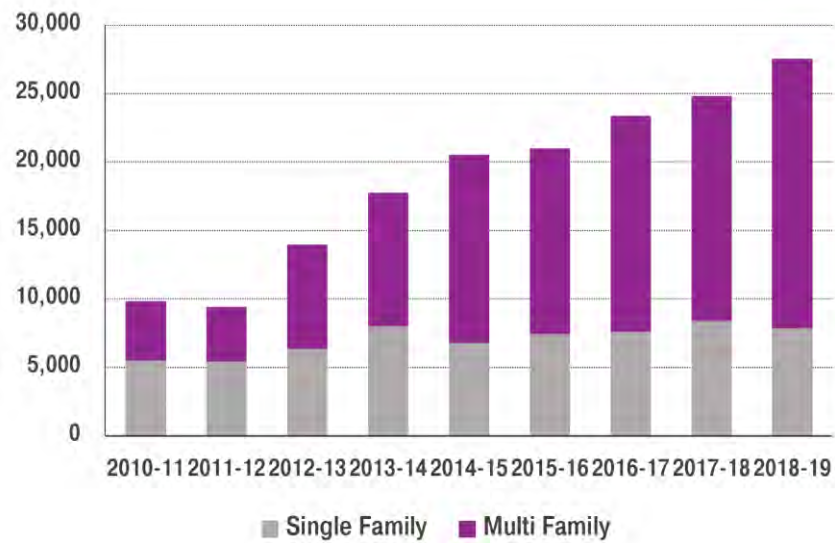
Construction of multifamily units has risen substantially and now accounts for about two-thirds of all housing construction in the region, a historic break from past trends where construction was dominated by single-family units. In 2019 the majority of new units in King County (84 percent) are multifamily, while only 15 percent of new units in Kitsap County are multifamily. Snohomish County saw a large uptick in multifamily development this decade, with multifamily units accounting for 13 percent of housing production in 2010 and 55 percent of new units in 2019.

Adding multifamily units helps to diversify the housing stock and provide more affordable options. However, while a surge in construction of apartments has helped to meet growing housing demand, as rentals, they often do not offer ownership opportunities.

<sup>32</sup> Joint Center for Housing Studies of Harvard University. (2017). The State of the Nation's Housing 2017. Available at [http://www.jchs.harvard.edu/research/state\\_nations\\_housing](http://www.jchs.harvard.edu/research/state_nations_housing).



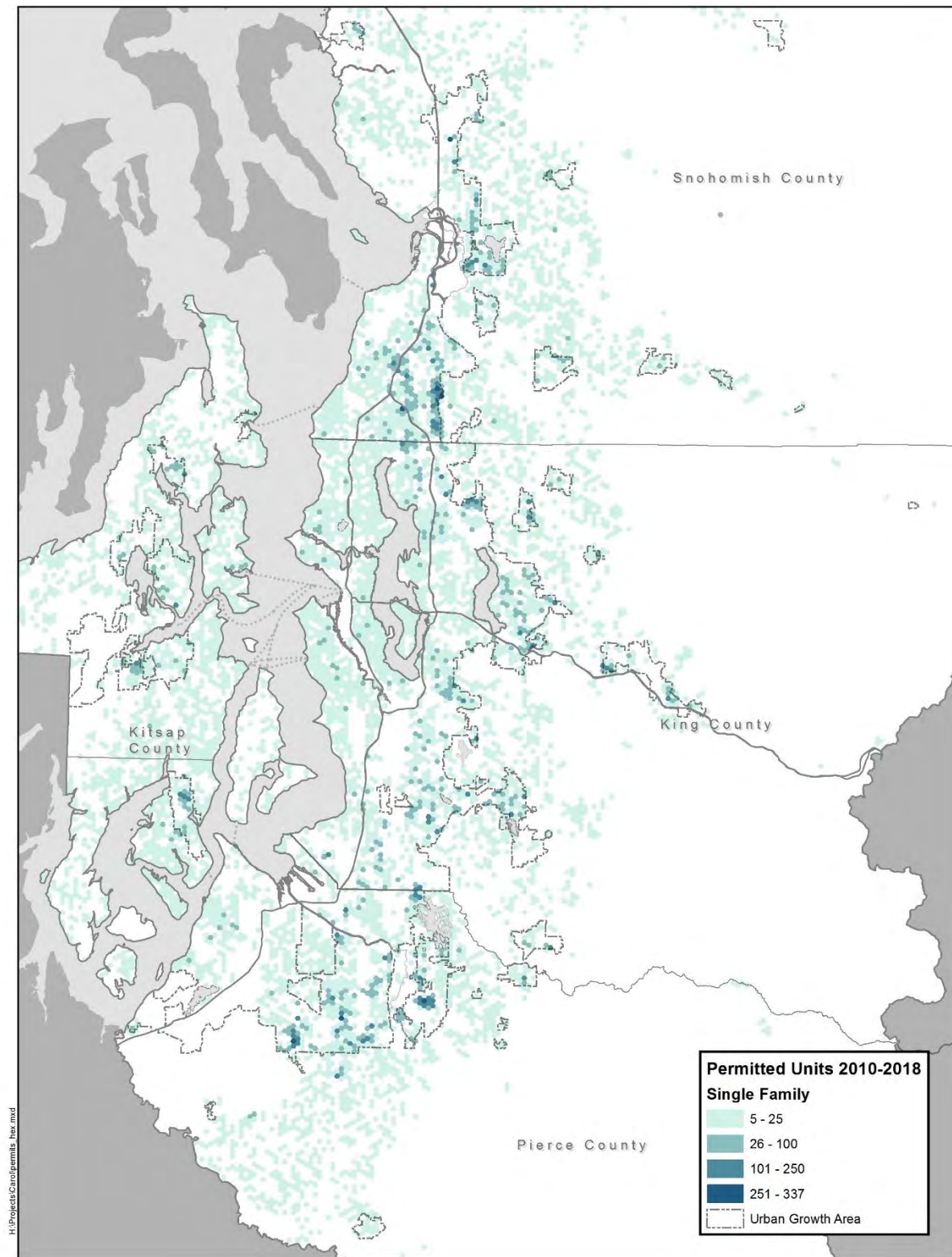
**Figure 68: Annual Housing Production by Type, 2010-2019**



Source: WA State Office of Financial Management



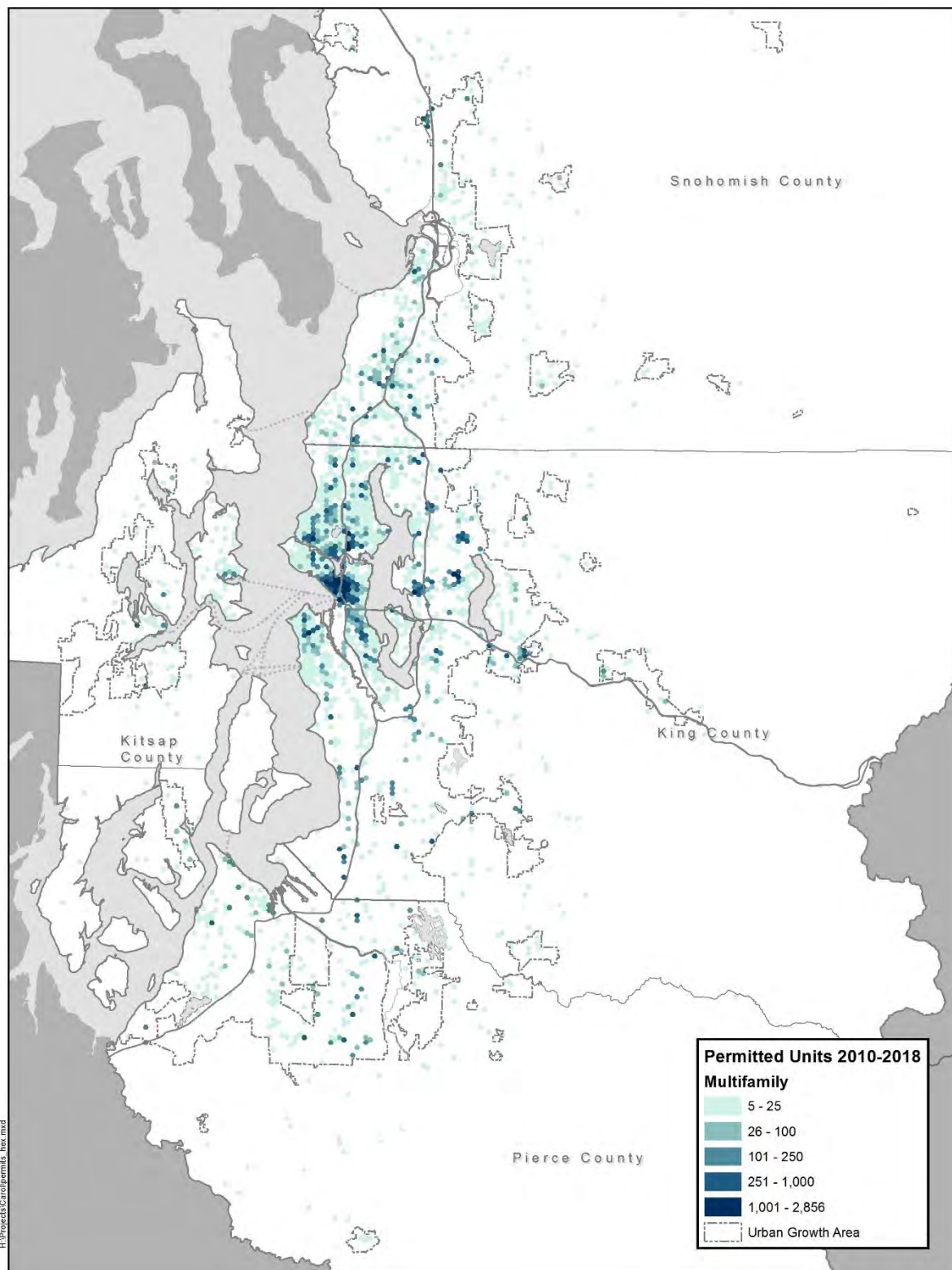
**Figure 69: Permitted Single Family Units, 2010-2018**



Source: PSRC Residential Permit Database



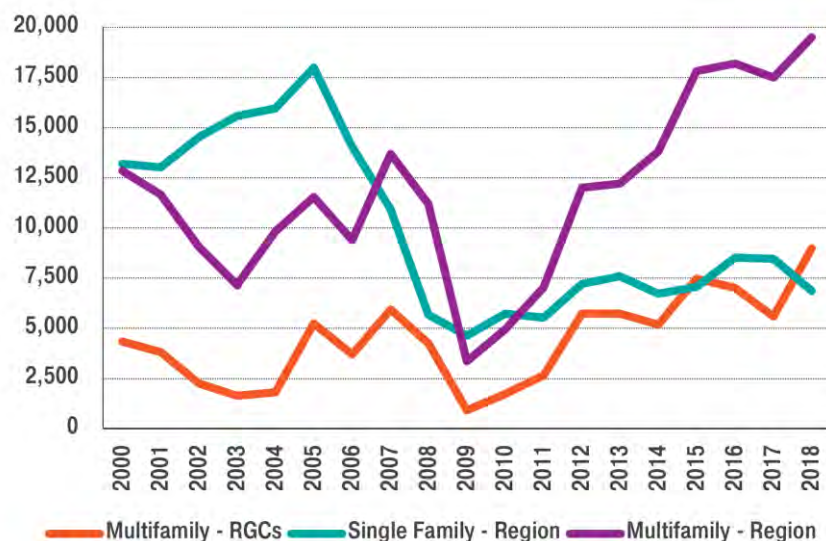
**Figure 70: Permitted Multifamily Units, 2010-2018**



Source: PSRC Residential Permit Database



**Figure 71: Permitted Housing Units in Regional Growth Centers, 2000-2018**



Source: PSRC Residential Permit Database

Housing growth in regional growth centers accounts for a significant share of multifamily unit growth and the overall share of housing unit growth since 2011. Approximately 34 percent of housing units permitted in 2018 were located in regional growth centers, shown in Figure 71.

**Figure 72: Permitted Housing Units Near Transit**

	Light Rail	Commuter Rail	Ferry	Bus Rapid Transit	Multiple Transit Modes	Total	% Share by County
<b>King County</b>	7,128	(2)	64	28,301	52,880	88,371	88%
<b>Kitsap County</b>	-	-	180	180	213	573	1%
<b>Pierce County</b>	340	10	-	2,386	1,011	3,747	4%
<b>Snohomish County</b>	2,282	9	4	4,364	1,177	7,836	8%
<b>Region</b>	<b>9,750</b>	<b>17</b>	<b>248</b>	<b>35,231</b>	<b>55,281</b>	<b>100,527</b>	<b>100%</b>

Source: PSRC Residential Permit Database

The central Puget Sound region has made significant transit investments, including planning for major build-out of a high-capacity transit network through the year 2050. VISION 2050 includes a goal for 65 percent of new residential development in regional growth centers and within walking distance of light rail, commuter rail, ferry, bus rapid transit and streetcar. From 2010 to 2018, over half (54 percent) of permitted residential development in the region was located in proximity to existing and planned high-capacity transit. The bulk (88 percent) of residential development in the region's current and planned high-capacity transit station areas occurred in King County, where



more of the service has been built to date. Within King County, the majority (60 percent) of permitted residential development occurred in transit station areas served by multiple modes, another 32 percent in bus rapid transit-only station areas, and 8 percent in light rail-only station areas.

Pierce and Snohomish counties, in contrast, saw the majority of permitted residential development near high-capacity transit occur in areas served by bus rapid transit only – 64 percent and 56 percent respectively – with the remainder occurring in areas that will be served by light rail or station areas with multiple modes of transit. Kitsap County’s permitted residential development near current and future high-capacity transit was distributed roughly evenly across ferry, bus rapid transit, and multimodal station areas.



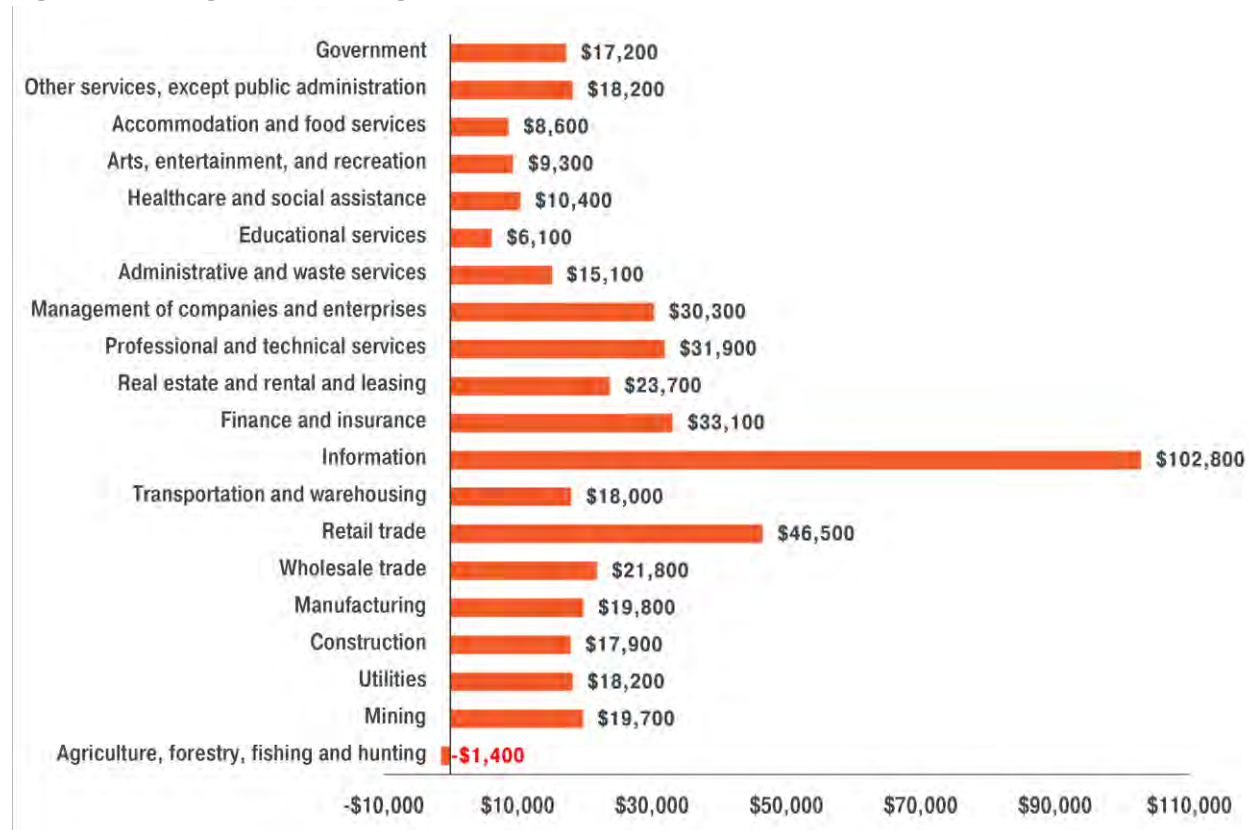
## 7 WORKFORCE CHARACTERISTICS

Analyzing the characteristics of the workforce can help to shed light on the housing needs of these workers as well as possible solutions. Addressing the housing needs of the local workforce can reduce the prevalence of long commutes and aid local employers in recruiting and maintaining a stable workforce. This section discusses trends in job growth, wages, and the local of jobs in relation to housing.

### 7.1 WAGES

During recovery from the Great Recession, employment in high-wage industries like the technology sector expanded rapidly resulting in significant demand and price pressures on local housing markets.

**Figure 73: Change in Annual Wages, 2010-2019**

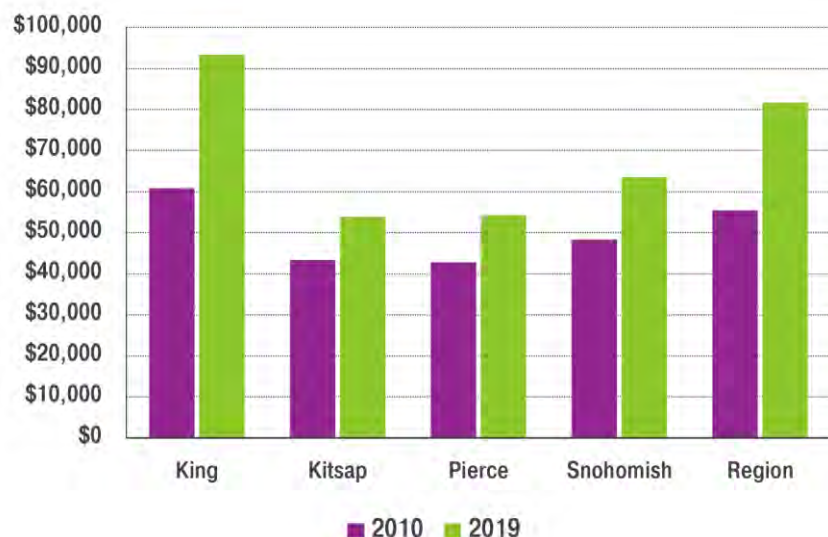


Source: WA State Employment Security Department

These pressures were most evident in technology hubs like Seattle and east King County, where average wages grew significantly faster than in other parts of the region.



**Figure 74: Average Annual Wages, 2010 versus 2019**



Source: WA State Employment Security Department

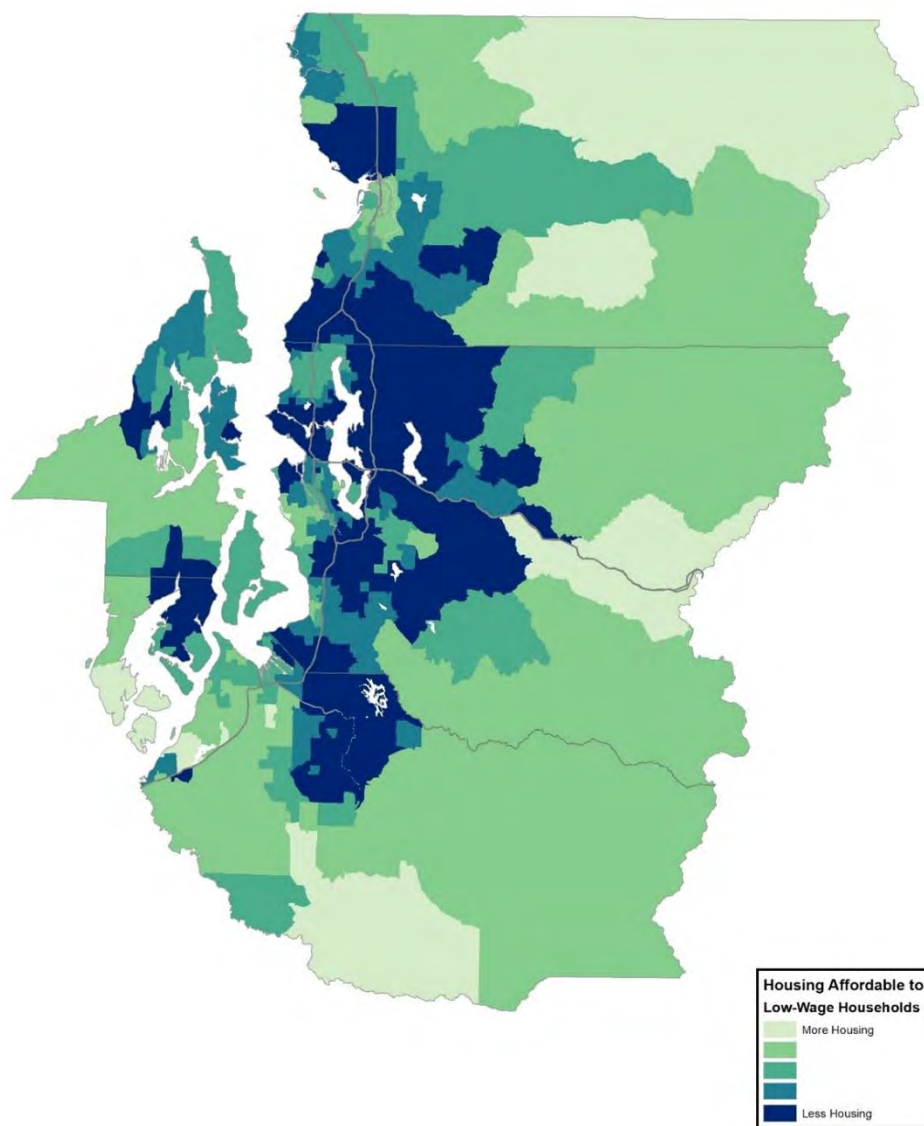
These dynamics exacerbate the geographic disconnect between low- and moderate-wage workers in high-housing cost areas and available affordable housing options, which contributes to households locating further from workplaces to find affordable housing options.

The low-wage affordable housing fit map (Figure 75) is based on an approach created by the University of California Davis.<sup>33</sup> This measure provides insight into whether low-wage workers have access to affordable housing near their place of employment. Affordable low-income housing is defined as rental housing that costs less than \$750/month (including utilities) while low-wage jobs are jobs that pay gross wages of \$15,000/year or less. Areas (or census tracts) with balanced or greater access to affordable housing options relative to the low-wage jobs base are shown in lighter greens, while places with more low-wage jobs but fewer affordable housing options are shown darker greens and blues.

<sup>33</sup> Benner, Chris, and Alex Karner. "Low-wage Jobs-housing Fit: Identifying Locations of Affordable Housing Shortages." *Urban Geography* 37, no. 6 (2016): 883-903



**Figure 75: Affordable Housing and Low-Wage Job Fit - Low-Income, 2017**

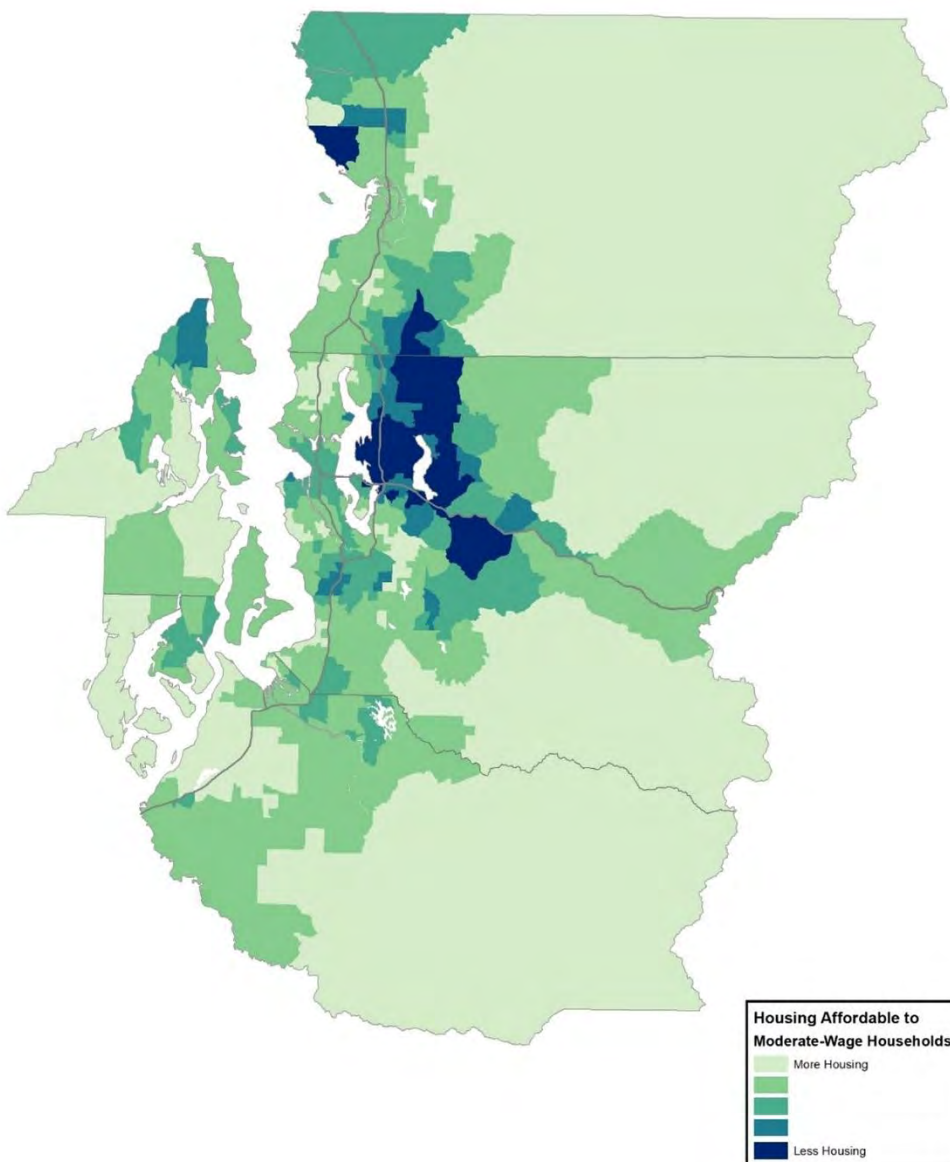


Source: American Community Survey 5-Year Estimates

The moderate-wage affordable housing fit map (Figure 76) defines affordable housing as rental housing that costs less than \$1250/month (including utilities) while moderate-wage jobs pay up to \$40,000/year. Areas with balanced or greater access to affordable housing options for moderate-wage earners are shown in lighter greens while places with more moderate-wage jobs but fewer affordable housing options are shown in darker greens and blues.



**Figure 76: Affordable Housing and Low-Wage Job Fit - Moderate-Income, 2017**



Source: American Community Survey 5-Year Estimates

## 7.2 JOBS-HOUSING BALANCE

Jobs-housing balance is a planning concept which advocates that housing and employment be close together to reduce the length of commute travel or vehicle trips altogether. A lack of housing, especially affordable housing close to job centers, will push demand for affordable homes to more distant areas, increasing commute times. A jobs-housing ratio compares the number of jobs in relation to the number of housing units in a given area. A “balance” of jobs and housing is attained where a community or market area attains roughly the regional average ratio. The regional jobs-housing ratio in 2019 was 1.35. This is considerably higher than it was in 2010/2011 (1.20/1.21),



which was the “low water” point during the Great Recession. Figure 77 highlights variation in jobs-housing ratio among regional geographies of the region.

**Figure 77: Jobs-Housing Balance by Regional Geography, 2019**

	2019 Jobs	2019 Housing	Jobs-Hsg Ratio	Indexed Ratio
<b>Metropolitan Cities</b>	1,103,700	590,473	1.87	1.39
<b>Core Cities</b>	674,987	385,960	1.75	1.30
<b>High Capacity Transit Communities</b>	277,743	357,541	0.78	0.58
<b>Cities &amp; Towns</b>	107,559	129,678	0.83	0.62
<b>Urban Unincorporated</b>	83,120	62,396	1.33	0.99
<b>Rural</b>	93,644	213,572	0.44	0.33
<b>Total</b>	<b>2,340,753</b>	<b>1,739,620</b>	<b>1.35</b>	<b>1.00</b>

Source: WA State Office of Financial Management, PSRC

**Figure 78: Jobs-Housing Balance by Subarea, 2019**

Subarea	2019 Jobs	2019 Housing	Jobs-Hsg Ratio	Indexed Ratio
<b>East King</b>	431,800	250,900	1.72	1.28
<b>Sea-Shore</b>	702,000	400,200	1.75	1.30
<b>South-King</b>	395,700	305,100	1.30	0.96
<b>North Kitsap</b>	51,700	61,000	0.85	0.63
<b>South Kitsap</b>	59,200	52,500	1.13	0.84
<b>East Pierce</b>	25,400	31,400	0.81	0.60
<b>Peninsula</b>	20,900	30,700	0.68	0.51
<b>Tacoma/Central Pierce</b>	330,800	290,900	1.14	0.85
<b>Central Snohomish</b>	33,700	52,400	0.64	0.48
<b>North Snohomish</b>	48,500	57,700	0.84	0.62
<b>Southwest Snohomish</b>	241,100	206,800	1.17	0.87
<b>Region</b>	<b>2,340,800</b>	<b>1,739,700</b>	<b>1.35</b>	<b>1.00</b>

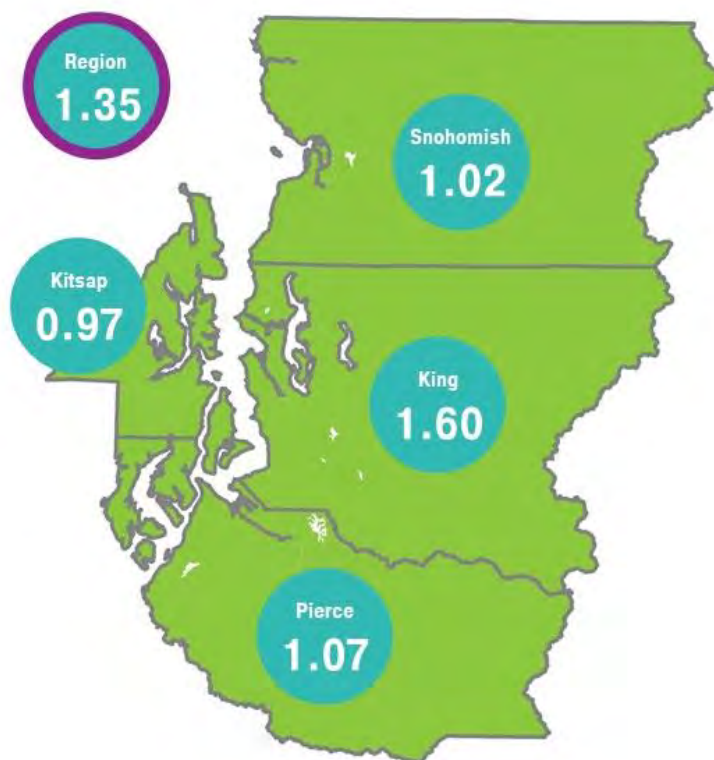
Source: WA State Office of Financial Management, PSRC

Subareas in King County have the highest ratios (all over 1.30), indicating they are relatively employment rich. Peninsula (0.68) and Central Snohomish (0.64) have the lowest, indicating that they are relatively housing rich.

Overall, King County (1.60) is the only county to have a ratio higher than the region (1.35).



**Figure 79: Jobs-Housing Balance by County, 2019**



Source: WA State Office of Financial Management, PSRC

### **7.3 HOME LOCATION OF LOCAL WORKFORCE**

Many middle- and lower-income households struggle to find housing that fits their income in an increasingly competitive and expensive housing market. As affordable housing options become scarce, households may be forced to move farther from their jobs and communities, resulting in increased traffic congestion, and fragmentation of communities. Many focus groups participants shared that the time lost in commuting means more time spent away from their neighborhoods impacting their ability to make connections, date, or build a family in the community.

*"You don't have time to volunteer, you can't participate in your kid's activities, you can't be connected to anything going on locally."*

*"There's a loss of connection to the community where you work and where you live. If you're a daytime resident, is that a part of your community? Do you have time to establish relationship*

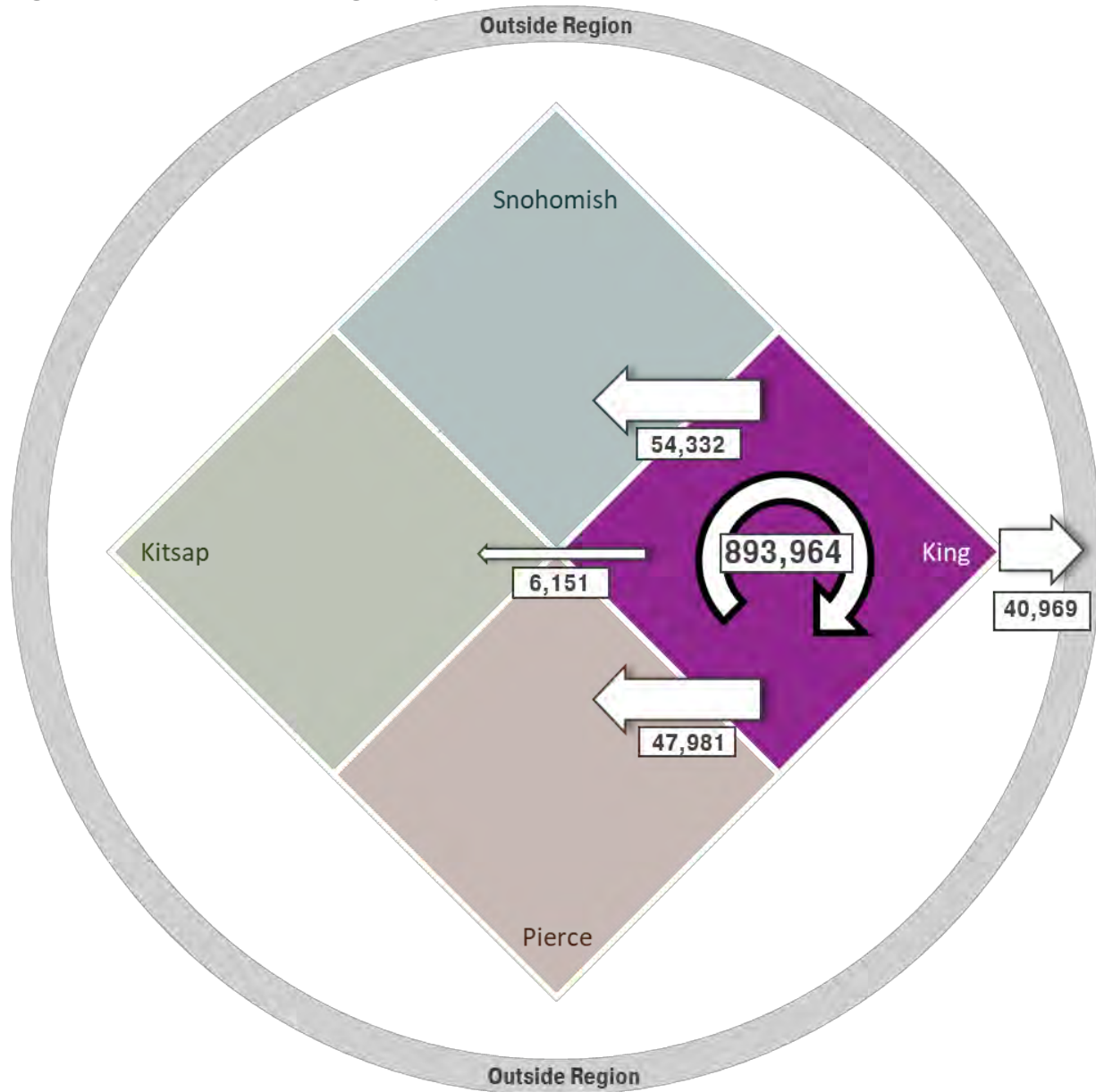


*there? Same thing about being at home, if you're spending the majority of your time away, are you really able to build those relationships in the community you live in?"*

Overall, nearly 40-50 percent of workers in the region live in the same subarea in which they work. Commuting between counties and subareas varies – areas with high concentrations of jobs attract workers from all over the region and outside the region. More than half of workers who live outside the region commute to King County. Kitsap County has the fewest workers commuting to and from the county. Figures 80-83 show the flow of workers who live in each county and their place of work. The arrows indicate the number workers who commute to each county – for example, in Figure 80, over 54,000 workers who live in King County commute to Snohomish County. The arrow pointing away from the figure indicates workers who commute outside the Central Puget Sound region.



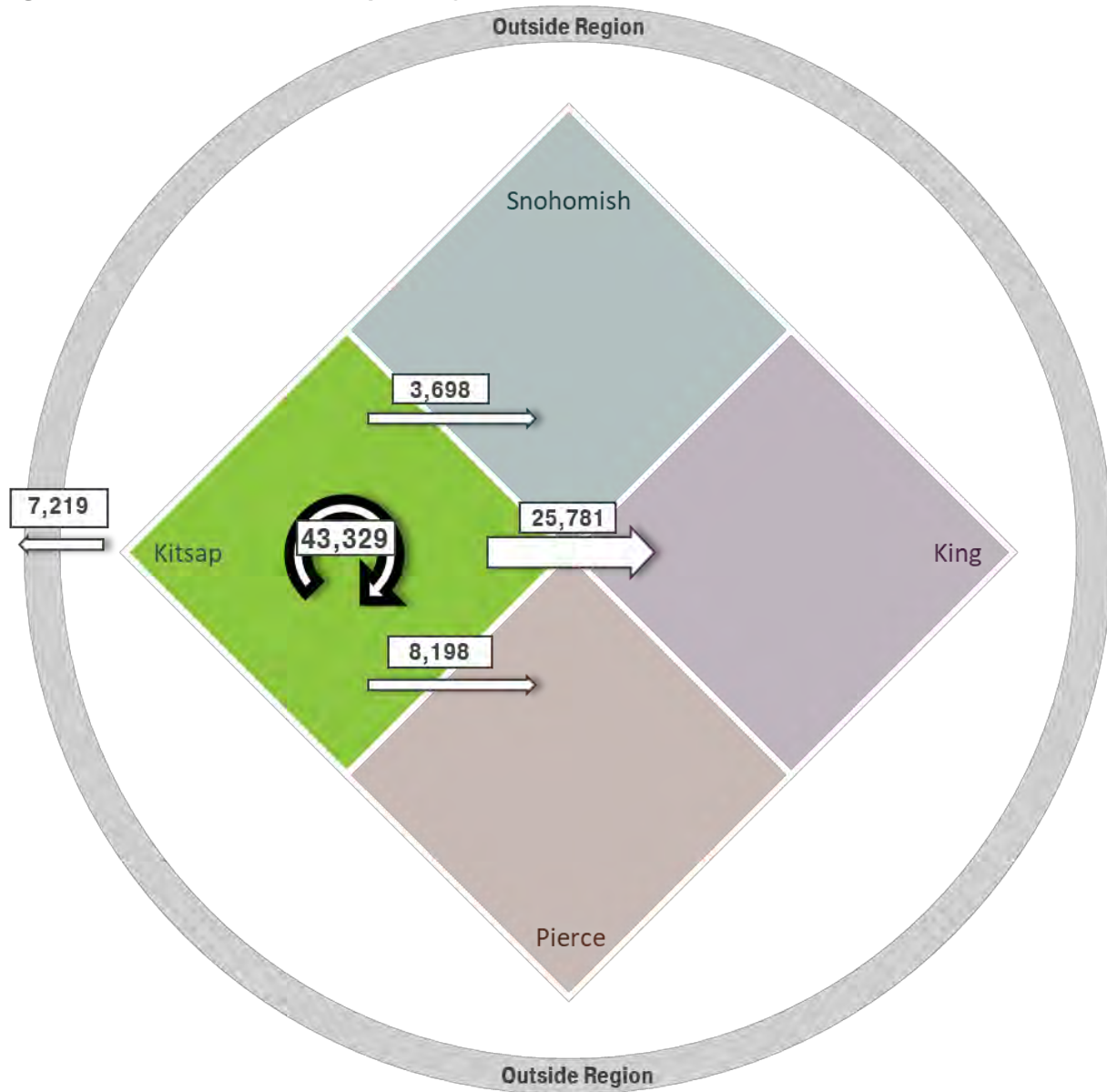
Figure 80: Commute Flow – King County, 2018



Source: US Census, Longitudinal Employer-Household Dynamics



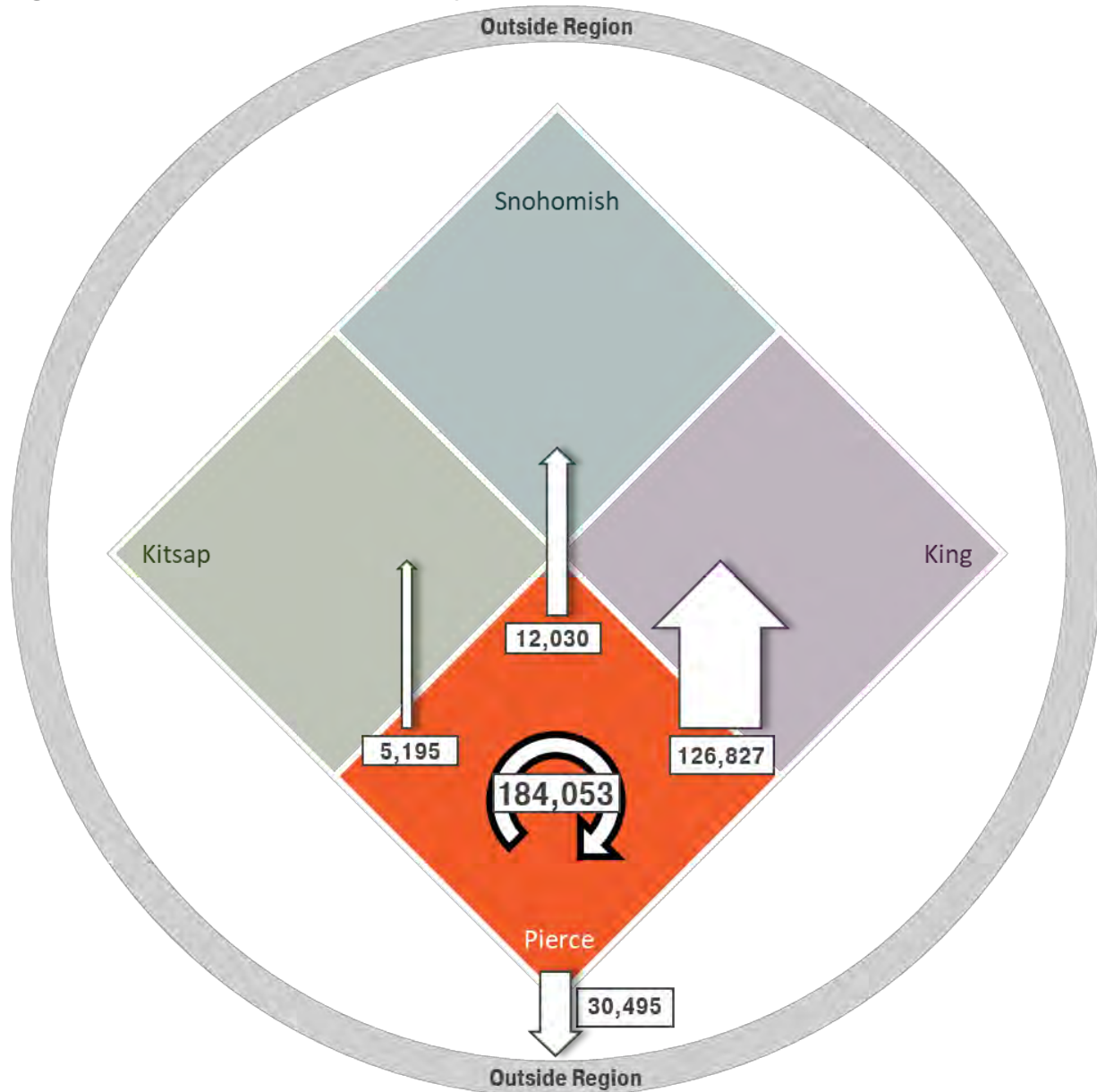
Figure 81: Commute Flow – Kitsap County, 2018



Source: US Census, Longitudinal Employer-Household Dynamics



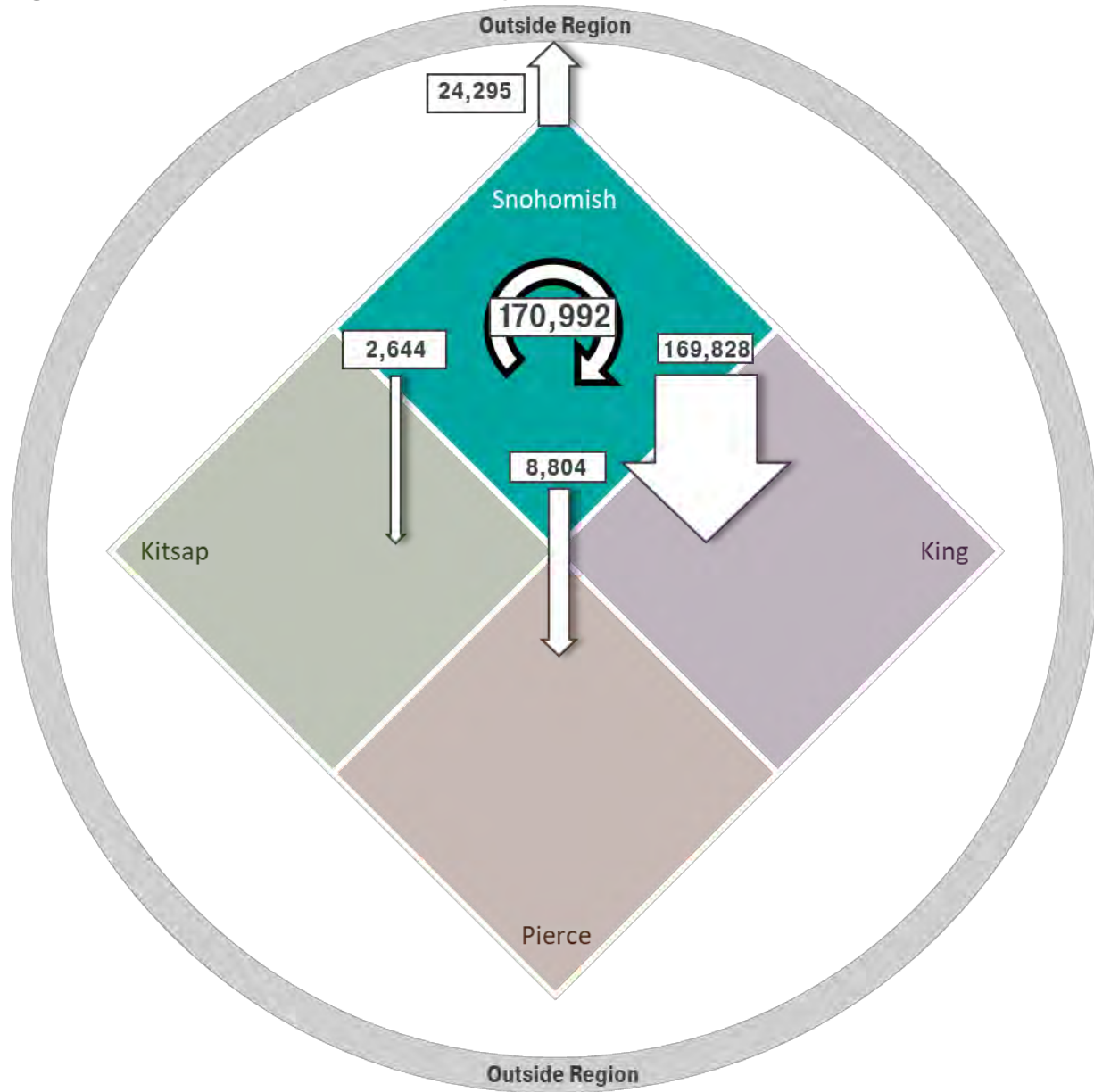
Figure 82: Commute Flow – Pierce County, 2018



Source: US Census, Longitudinal Employer-Household Dynamics



**Figure 83: Commute Flow – Snohomish County, 2018**



Source: US Census, Longitudinal Employer-Household Dynamics



**Figure 84: Commute Flow by Household Income, 2016**

Household Income in the Past 12 Months 2016		All Households	Less than \$50,000	\$50,000-\$100,000	More than \$100,000
Residence	Workplace				
<b>King</b>	<b>King</b>	93%	94%	92%	93%
	<b>Kitsap</b>	0%	0%	0%	0%
	<b>Pierce</b>	3%	3%	3%	2%
	<b>Snohomish</b>	4%	3%	4%	4%
	<b>Other</b>	0%	0%	0%	0%
<b>Kitsap</b>	<b>King</b>	11%	6%	9%	16%
	<b>Kitsap</b>	80%	84%	86%	75%
	<b>Pierce</b>	6%	6%	5%	6%
	<b>Snohomish</b>	1%	0%	1%	1%
	<b>Other</b>	2%	3%	2%	1%
<b>Pierce</b>	<b>King</b>	25%	18%	25%	30%
	<b>Kitsap</b>	1%	1%	1%	2%
	<b>Pierce</b>	70%	78%	71%	65%
	<b>Snohomish</b>	1%	0%	1%	1%
	<b>Other</b>	3%	2%	3%	3%
<b>Snohomish</b>	<b>King</b>	34%	28%	32%	37%
	<b>Kitsap</b>	0%	0%	0%	0%
	<b>Pierce</b>	0%	1%	1%	0%
	<b>Snohomish</b>	64%	69%	65%	61%
	<b>Other</b>	2%	2%	2%	2%

Source: American Community Survey 5-Year Estimates

Commute flow patterns can also be assessed by household income. The vast majority – approximately 93 percent – of King County residents work in King County as well, irrespective of the household income. Workers in lower and moderate-income households, generally less than \$75,000, in Kitsap, Pierce, and Snohomish counties are more likely to live and work in the same county than average. Workers in the highest income households, generally greater than \$100,000, are less likely to live and work in the same county and more likely to work in King County than average.

Long commutes have a big impact on people's lives. Focus group participants who have experienced long commutes between counties or even in the same city said this time spent traveling means they have less time to spend with their family and on other activities.



*"Waking up at four in the morning takes something out of your soul. And then commuting back home in traffic."*

*"Even if you're in the same county, if you're not able to live in the area you work then there's a cost."*

*"I have to have a certain amount of proximity to my Mom and Aunt. My parents are getting older."*

Traveling long distances for work and other essential needed trips for childcare, groceries, and medical visits also has an impact on the environment. Several focus group participants raised concerns about the environmental impact of driving or commuting long distances regularly. Participants noted the impact on the local environment, as well as on themselves and the communities that live nearby roadways.

*"There's a lot of energy to get People of Color to care about plastic bags. But if we could afford to live fifteen minutes from work it would lower our carbon footprint more than anything."*

#### **7.4 EMPLOYMENT GROWTH AND FORECASTS**

The region added nearly 443,000 new jobs since 2010, with a total of nearly 2,300,000 jobs in the four counties in 2018. Regionwide, jobs grew 19 percent since 2010, or 3 percent from 2017 to 2018. The strongest job growth was in the Seattle metro area, which includes King and Snohomish counties.



**Figure 85: Annual Change in Employment, 2000-2018**



Source: PSRC

Uneven economic prosperity has also contributed to long commutes and the need for auto trips to retail and services. The VISION 2050 Regional Growth Strategy encourages shifting a portion of expected employment growth from King County to Kitsap, Pierce, and Snohomish counties to improve jobs-housing balance. Across the region, the strategy plans for improved jobs-housing balance in most counties and subareas compared to today. Access to living wage jobs outside King County and access to affordable housing in and near job centers within King County are important for regional mobility, environmental outcomes, and community development.

It has never been more clear that public health and the economy are mutually supportive. The economy relies on a healthy workforce and people's health depends on a thriving economy to provide personal financial stability to afford a high quality of life. As a result of the COVID-19 pandemic, unemployment claims surged in the central Puget Sound region. However, some residents are more negatively impacted than others. People of color in the region are more likely to have contracted COVID-19 and are also more likely to file for unemployment due to economic shutdowns. This is a consequence of historic inequities that drive where people live, the educational and economic opportunities they have, disparities in criminal justice outcomes, their health outcomes, and their ability to transfer wealth across generations. Systemic racism has laid the groundwork for people of color to be overrepresented in low-wage jobs hit hardest by the pandemic, such as food services, retail, and transportation. These factors have funneled people of color into communities that have eroded their health and into jobs lacking healthcare, making them particularly vulnerable to the virus and further delaying the economic recovery.



## 8 NEEDS ANALYSIS

This section evaluates the alignment between the region's housing inventory and the housing needs of the region's residents. This analysis helps to identify the amount and the types of housing needed over the next 30 years to ensure residents will have access to affordable housing.

While most current residents have been able to rent or purchase a home, many are living in homes that are beyond their financial means or do not meet needs, such as those that are too small for their family size or lack accommodation for aging residents. A significant challenge facing the region is to produce enough new housing units as the population grows and to provide more affordable housing that matches the needs of current residents.

A household's housing may not meet their needs for several reasons, including:

- **Affordability.** The household may not be able to afford the unit. This could result from a lack of more affordable housing options, an increase in rent, or a change in income, employment or the cost of repairs and maintenance.
- **Housing Size.** The dwelling may be too small (overcrowding).
- **Substandard Housing.** The unit may lack plumbing or kitchen facilities to make it fit for habitation.
- **Other Needs.** The household may be looking for a unit that better suits their needs, such as one with lower maintenance costs, ADA accessibility, one that allows them to build equity, or one with fewer restrictions.
- **Experiencing Homelessness.** The household may lack housing or housing may consist of shelter space, a vehicle or a tent.
- **Location.** The household may need a unit that is closer to their community, job, or other services.

This chapter examines some of these factors and provides estimates of the number of households whose housing does not meet their needs for one reason or another. This information can then be used to identify actions to reduce the gap between housing needed and available housing when developing the Regional Housing Strategy.

The Regional Housing Needs Assessment uses a variety of methods to assess need, each described in greater detail in this section. Each methodology helps planners to better understand the various components of need and together the different analyses paint a fuller picture of what is needed now and, in the future, and what must be addressed in the short-term and over the course of the 20 and 30-year planning horizons. The analyses and numbers presented identify a range of need and highlight opportunities to better address need for current and future households.



---

## What's needed now?

46,000

Housing units needed to address the  
current supply backlog

## What's needed by 2050?

810,000

Total new housing units needed to  
accommodate the population in 2050

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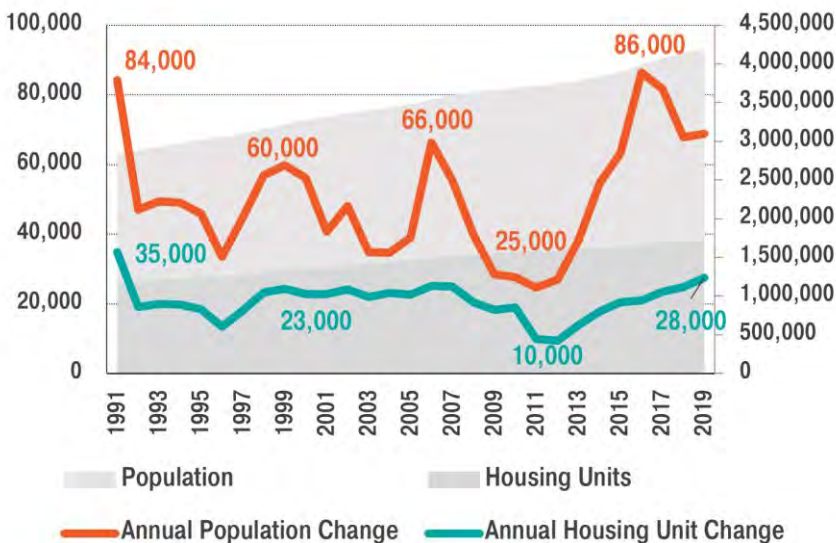
### 8.1 CURRENT DEMAND ON HOUSING

Strong employment and population growth over the last decade have resulted in housing demand that has accelerated more quickly than housing unit production, causing shrinking vacancies, quicker sales, and a tighter housing market. These factors lead to pressure on housing prices and rents.

In the past decade the region has added nearly 60,000 new residents and just less than 19,000 new housing units on average per year. This means that from 2010 to 2019 the region added just over three new residents for every one new housing unit. Looking at the decade prior to the Great Recession, 2000 to 2010, the region's housing production was generally keeping pace with population growth with the region adding just fewer than two new residents for every one new housing unit. Annual housing production, shown in Figure 86, has picked up since 2016, yet there is still a backlog of needed housing supply. See section 6.2 for more information on the current backlog of housing supply.



**Figure 86: Annual Change in Population and Housing, 1990-2019**



Source: WA State Office of Financial Management

The central Puget Sound region has experienced sustained employment growth since emerging from the recession in 2010, with exceptionally strong job growth from 2013 to 2020. This growth has contributed to a surge in population growth and corresponding increase in the demand for housing.

**Figure 87: Annual Change in Jobs and Housing Units, 2000-2019**



Source: WA State Office of Financial Management, PSRC

Figure 87 shows annual change in housing and jobs over time. There is not a 1:1 relationship between jobs and needed housing units in any given year. Households often contain more than one worker, and housing response to job growth generally lags over several years, reflecting the time it



takes to finance and develop housing. With these caveats in mind, the data show that while housing construction has picked up substantially since a low in 2011, the construction of new housing units is not keeping pace with job growth and is just now approaching pre-recession levels of production.

## 8.2 CURRENT BACKLOG OF HOUSING SUPPLY

The region has underproduced housing over the past decade. To more fully understand housing need in the region, this analysis looks at current supply need in addition to assessing the number of new housing units to meet future supply. Prior to 2010 the region was adding more new housing units than new households were being formed. However, after the precipitous decline in construction following the Great Recession, the region added more new households than housing units from 2011 to 2016, as shown in Figure 88.

**Figure 88: Annual Change in Households and Housing Units, 2006-2019**



Source: WA State Office of Financial Management

While this analysis helps to highlight the relationship between the growth of the region's housing stock and new households, it may not accurately capture the amount of housing currently needed as the number of new households may be constrained by the lack of available housing. For example, residents may live with family members or roommates for longer than they wish due to a lack of housing options. The number of people forming new households for ages 18-24 and 25-34 are especially low in less affordable markets such as the central Puget Sound, so the region is likely seeing fewer new households as a result of the lack of affordable housing.<sup>34</sup>

<sup>34</sup> Joint Center for Housing Studies of Harvard University. (2017). The State of the Nation's Housing 2017. Available [http://www.jchs.harvard.edu/research/state\\_nations\\_housing](http://www.jchs.harvard.edu/research/state_nations_housing).



Another way to assess housing underproduction is to compare the number of new households the region would have gained over the last decade if housing production were unconstrained in comparison to actual housing production.

Using this methodology, from 2010 to 2019 there is a backlog of approximately 45,000 – 50,000 units. Given the annual average housing production rate over the past decade, this amounts to a backlog of about two years of production. In addition to planning for future growth in the long term, the region needs to address the current backlog in the short term. The current backlog does not account for housing needed for currently unhoused people.

### 8.3 HOUSING SUPPLY NEEDED BY 2050

The VISION 2050 Regional Growth Strategy estimates growth of 1.8 million new people from 2017 to 2050. Population growth can be translated into assumptions about the total amount of housing needed by factoring in average household size (or persons per household), vacancy rates, and people living in group quarters.

Using this methodology, 888,000 new housing units are needed from 2017 to 2050. Updating this number with actual housing production that occurred from 2017 to 2020, the region needs 810,000 housing units from 2020 to 2050. The future supply needed accounts for the backlog of housing currently needed. The breakdown by county is shown in Figure 89.

**Figure 89: Future Housing Supply Needed to Accommodate Future Growth, 2020-2050**

**Between 2020 and 2050 the region needs 810,000 additional housing units to accommodate future growth**



Source: PSRC



## 8.4 HOUSING NEEDED NEAR TRANSIT

The central Puget Sound region is investing heavily in high-capacity transit and greatly expanding light rail, bus rapid transit, and passenger ferry service.

Rail, ferry, and bus rapid transit station areas are ideal for increased density, new residences, and businesses—referred to as transit-oriented development or TOD. Allowing for greater employment and population growth within walking distance to high-capacity transit promotes the use of the region's transit systems and reduces the number of trips that require a personal vehicle. VISION 2050 focuses on locating growth near current and future high-capacity transit facilities. VISION 2050 includes a goal for 65 percent of the region's population growth and 75 percent of the region's employment growth to be located in regional growth centers and within walking distance of high-capacity transit. This regional-scale goal provides a benchmark to inform local planning and continue to focus new growth as transit investments come into service. This goal also helps to measure regional progress, while providing flexibility for individual station areas that may have different contexts, such as within industrial areas.

Following the policy principles of the Regional Growth Strategy, the majority of new housing units should be located in the Metropolitan and Core Cities and High Capacity Transit Communities, yet where and how new housing is accommodated will vary by county. Figure 90 shows the shares of housing growth over the next thirty years by Regional Geography. Over three-quarters of new housing units in King County should be located in Metropolitan and Core Cities, focusing the majority of new housing growth in regional growth centers and near high-capacity transit. Nearly half of new housing units in Pierce, Kitsap, and Snohomish counties should be located in Core Cities and High Capacity Transit Communities, focusing new housing growth in proximity to current and planned high-capacity transit.



**Figure 90: Future Housing Unit Need by Regional Geographies**

County	Regional Geography	Housing Need 2020 - 2050
<b>King</b>	Metropolitan	194,200
	Core	158,000
	High Capacity Transit	42,400
	Cities & Towns	18,400
	Urban Unincorporated	1,600
	Rural	3,400
	<b>Total</b>	<b>418,000</b>
<b>Kitsap</b>	Metropolitan	14,200
	Core	6,700
	High Capacity Transit	15,300
	Cities & Towns	-
	Urban Unincorporated	2,800
	Rural	3,500
	<b>Total</b>	<b>43,000</b>
<b>Pierce</b>	Metropolitan	63,900
	Core	41,200
	High Capacity Transit	32,100
	Cities & Towns	10,600
	Urban Unincorporated	9,100
	Rural	3,900
	<b>Total</b>	<b>161,000</b>
<b>Snohomish</b>	Metropolitan	42,400
	Core	22,400
	High Capacity Transit	91,900
	Cities & Towns	16,300
	Urban Unincorporated	6,900
	Rural	6,700
	<b>Total</b>	<b>187,000</b>
<b>Region Total</b>		<b>810,000</b>

Source: PSRC

PSRC modeled future housing growth to develop the VISION 2050 plan. To achieve the 65 percent population growth goal in centers and near transit, growth had to exceed maximum zoned development capacity in many regional growth centers and station areas. The data represent an “asserted” growth scenario and should not be considered a forecast of what is likely to happen. Rather, the data are most useful to illustrate what it will collectively take from Metropolitan, Core,



and HCT Communities to achieve VISION 2050's policy goal and indicate. While this is one possible scenario on how growth may occur, it implies that the region needs to upzone in some regional geographies to accommodate the majority of future household growth in centers and station areas by the year 2050.

The need to upzone to accommodate future household growth in regional growth centers and station areas is also supported when looking at current housing types by Regional Geography. Figure 86 shows the breakdown of the housing stock by regional geography. In all geographies, with exception of Metropolitan cities in King County, single family homes make up the majority of the housing stock. Housing types and densities beyond detached and attached single family homes – ranging from duplexes and triplexes, to garden apartment, to steel construction high rises – are need to accommodate future growth near transit, job centers, and other services.

**Figure 91: Units in Structure by Regional Geography, 2018**

County	Regional Geography	Single Family		Moderate Density (2-19 Units)		High Density (20+ Units)	
		# Units	% of Housing	# Units	% of Housing	# Units	% of Housing
King	Metropolitan	186,000	49%	76,000	20%	118,000	31%
	Core	151,000	57%	66,000	25%	38,000	14%
	High Capacity Transit	72,000	69%	16,000	16%	13,000	13%
Kitsap	Metropolitan	13,000	62%	5,000	23%	2,000	11%
	Core	3,000	51%	2,000	29%	1,000	17%
	High Capacity Transit	20,000	75%	4,000	13%	2,000	7%
Pierce	Metropolitan	54,000	66%	17,000	20%	11,000	13%
	Core	34,000	59%	17,000	29%	5,000	9%
	High Capacity Transit	46,000	71%	13,000	19%	3,000	5%
Snohomish	Metropolitan	21,000	50%	12,000	30%	7,000	17%
	Core	12,000	59%	5,000	24%	3,000	13%
	High Capacity Transit	94,000	70%	24,000	18%	12,000	9%

Source: American Community Survey 5-Year Estimates



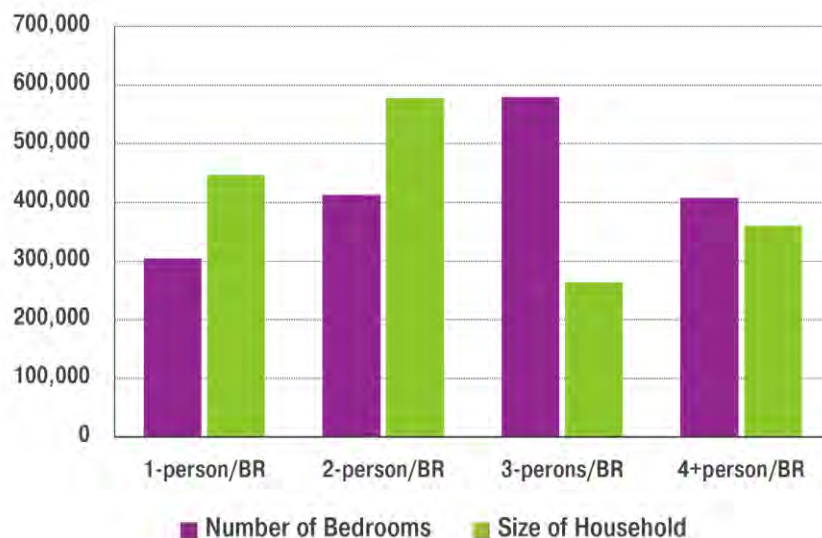
## 8.5 HOUSING NEEDED TO MEET HOUSEHOLD CHARACTERISTICS

In addition to assessing the number of new units needed, it is important to understand the types of units needed to meet current and future households needs. Household size, demographic changes, and household composition all factor into the types of housing needed in the region.

The characteristics of the region's households have been changing over time and will continue to do so. The size of the average household has been decreasing. Fewer people are living in family households with two parents and children. More households are comprised of singles, couples without children, or single-parent families. Many households have two or more workers. The region's population is becoming more racially and ethnically diverse. As the population ages and new generations enter the housing market, there will be demands and preferences for new and different types of housing. While the region has a changing population with a wide range of housing needs, the vast majority of owner-occupied homes are larger single-family homes.

Figure 92 breaks down the housing stock by the number of bedrooms and compares it to the size of households. Across the region there is a lack of small to moderate sized – studio to 2 bedrooms—units (725,000) and a wealth of larger – three or more bedrooms – units (1,006,000) in relation to the size of households. This misalignment of household size and size of housing units is heightened in many of the counties. Nearly two-thirds (64 percent) of Kitsap County's housing stock has 3 or more bedrooms while just over one-third of households (37 percent) have three or more people. Over half (58 percent) of Snohomish County's households have two or fewer people, yet only 33 percent of the county's housing stock are studio to two-bedroom units.

**Figure 92: Alignment Between Household Sizes and Size of Units in Housing Stock, 2018**



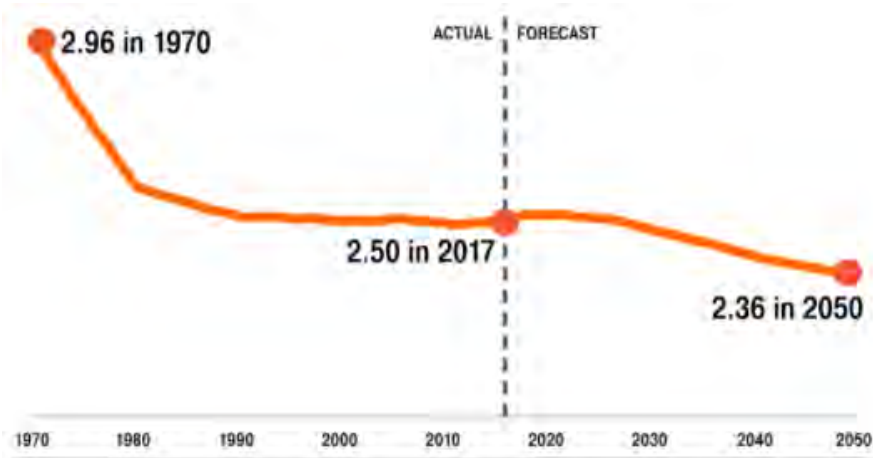
Source: American Community Survey 5-Year Estimates



While not all 1-person households are looking for a studio or 1-bedroom unit, it is also likely to be true that there are people living in larger shared houses now that would prefer to live in a studio or 1-bedroom unit if there were enough units available. So, the demand for studio and 1-bedroom units could potentially exceed what is indicated by looking at Census data about household sizes.

The need for smaller sized units is expected to increase as average household size is forecasted to decrease to 2.36 people by the year 2050, largely due to the aging of the Baby Boomer generation (Figure 93) and declining fertility rates. Fewer persons per household means greater demand for housing to accommodate the forecast population growth.

**Figure 93: Persons-per-Household Ratio, 1970-2050**

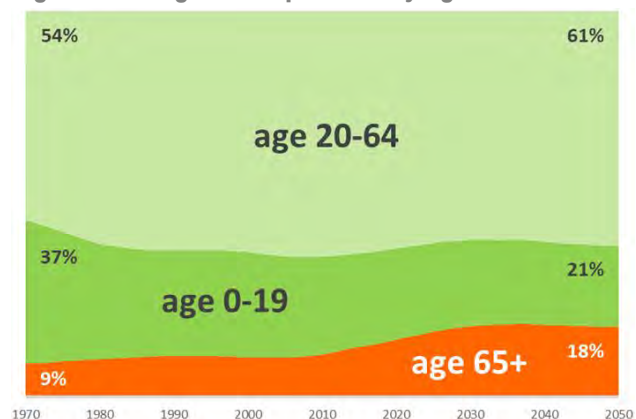


Source: Census Bureau, PSRC

The region is becoming older and more diverse. Changing demographics affect housing demand. Seniors as a share of the region's total population are forecasted to grow from 11 percent in 2010 to 18 percent in 2050 (Figure 94). The growing number of seniors will increase the need to improve the accessibility of the housing stock and deliver in-home supportive services so communities can provide safe, walkable streets; age-friendly housing and transportation options; access to needed services; and opportunities for residents of all ages to participate in community life.



**Figure 94: Regional Population by Age**



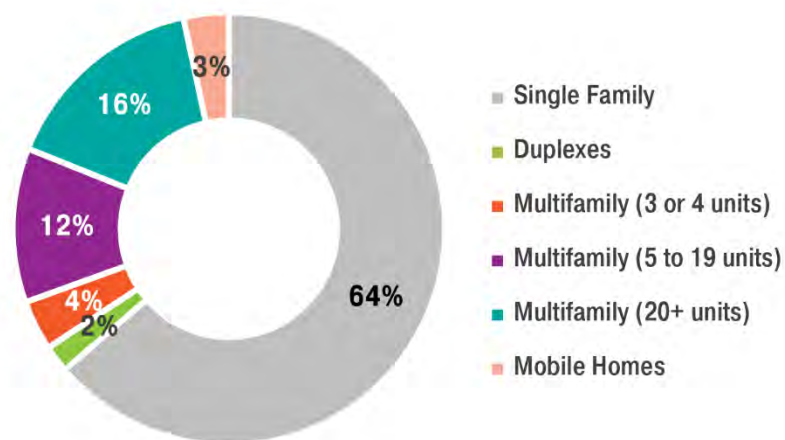
Source: Census Bureau, PSRC

Focus group participants living in subsidized housing noted that most of the units include children, underscoring the need for larger – family-sized – rentals.

*"I'm now in tax credit housing that's for low-income families. There's at least one child in every apartment."*

Despite the current and forecasted shifts in household size and composition, the majority of the region's housing is detached single-family. While detached single-family housing is an important part of the region's housing supply, it does not meet the needs of many households, specifically the growing number of one- and two-person senior households.

**Figure 95: Units in Structure, 2018**



Source: American Community Survey 5-Year Estimates

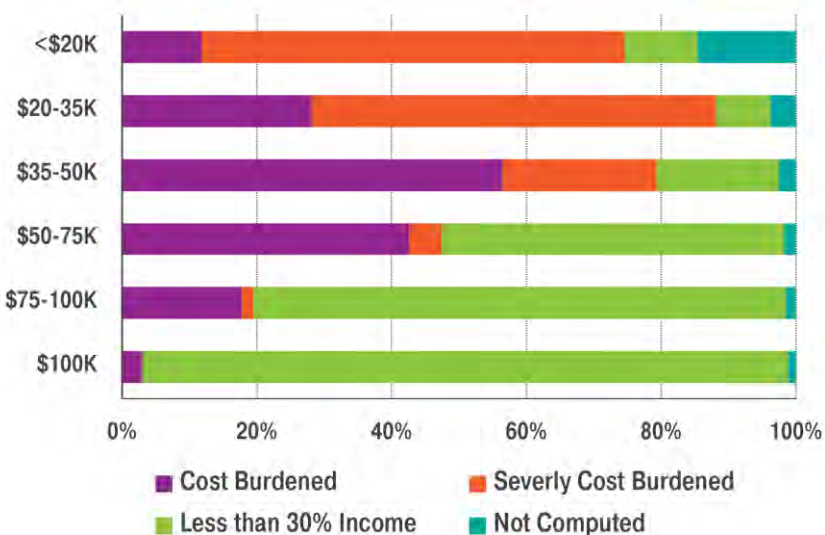


## 8.6 COST BURDEN

A household is considered cost burdened if it pays more than 30 percent of its income on housing. This includes rent or mortgage payments, and utilities. A household is considered severely cost burdened if it pays more than 50 percent of its income on housing. Cost burden is a relative metric; a high-income cost burdened homeowner is most likely in a different financial position than a low income cost burdened renter as lower-income individuals have less disposable income to manage changing housing costs and cover other household expenses.

Across the region, approximately 1 in 2 (46 percent) of renters are cost burdened or severely cost burdened. Generally, renters across the region experience higher levels of cost burden than homeowners. Close to half of all renters in King County (44 percent), Kitsap County (48 percent) and Pierce County and Snohomish County (49 percent) are cost burdened. The proportion of cost burdened and severely cost burdened renters rises dramatically for lower income households. The overwhelming majority (76 percent) of lower and moderate-income renters – households with less than \$50,000 annual income— are cost burdened or severely cost burdened. Cost burden drops off markedly for renters with an annual income of \$75,000 or more.

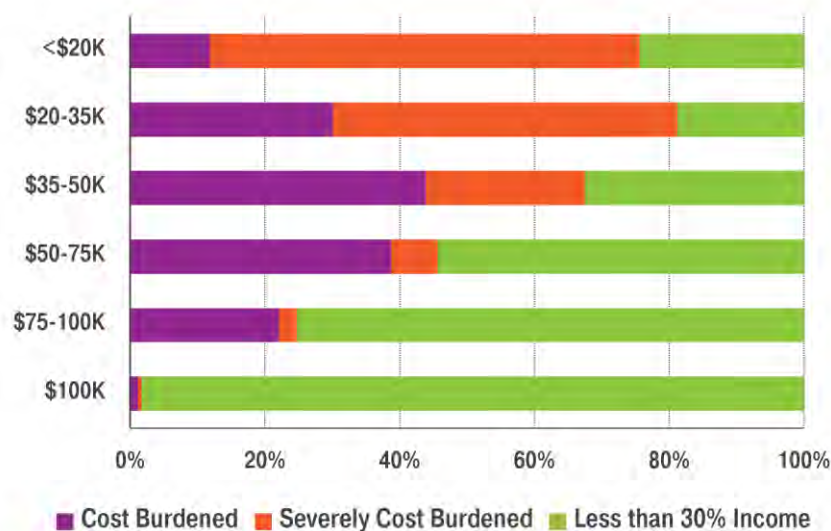
**Figure 96: Cost Burdened Renter Households, 2018**



Source: American Community Survey 5-Year Estimates



**Figure 97: Cost Burdened Renter and Owner Households, 2018**



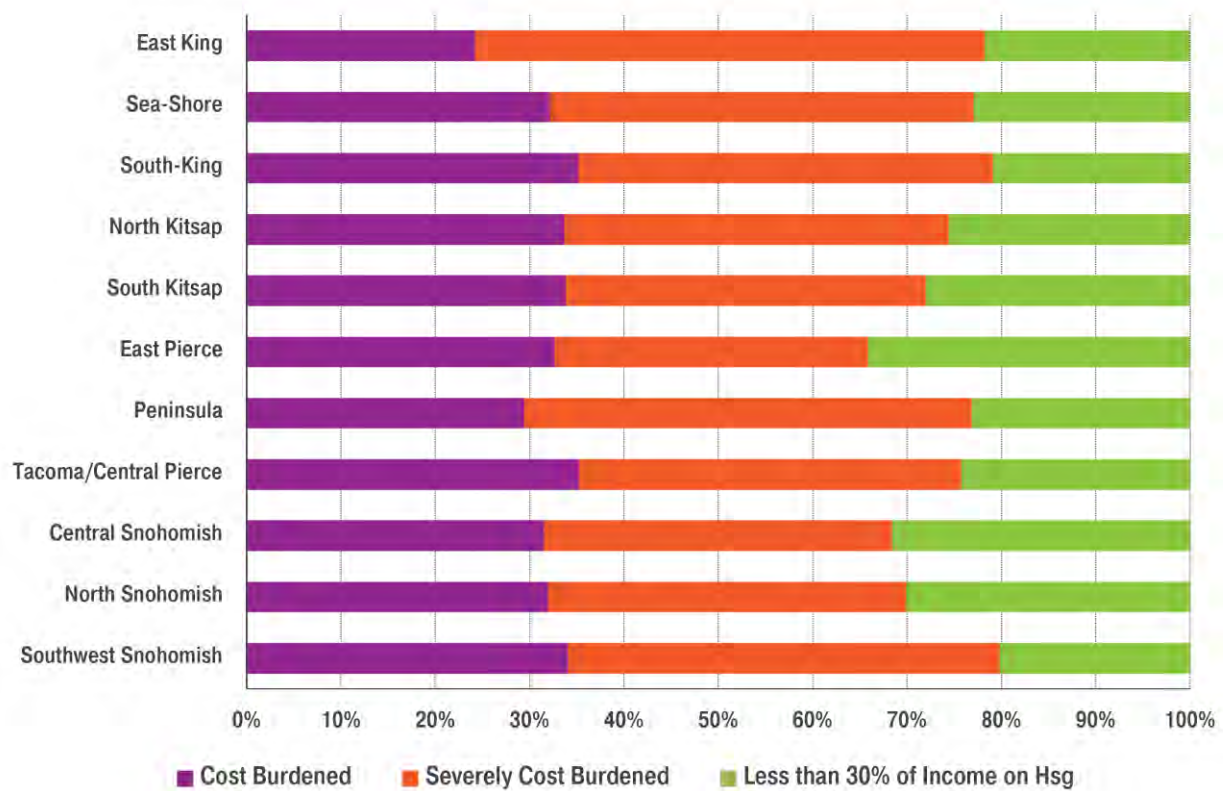
Source: American Community Survey 5-Year Estimates

Note: Households “Not Computed” is less than 1 percent for each subarea and not shown on in the figure

The affordable housing challenge is not distributed evenly among residents based on income, race, age, or household size, nor is it evenly spread geographically. The disparities are most stark when looking at low-income residents who are severely cost burdened, or those paying more than half of their income on housing. Low-income households who are severely cost burdened struggle regularly to make housing payments and are at an extremely high risk of homelessness if a household crisis arises. Without the ability to save for a rainy day, one health care bill, car repair need, or employment gap could force a household into homelessness. While lack of affordable housing is not the only cause of homelessness, affordable housing and homelessness are inextricably linked.



**Figure 98: Cost Burdened Households Earning Less than \$50,000, 2018**

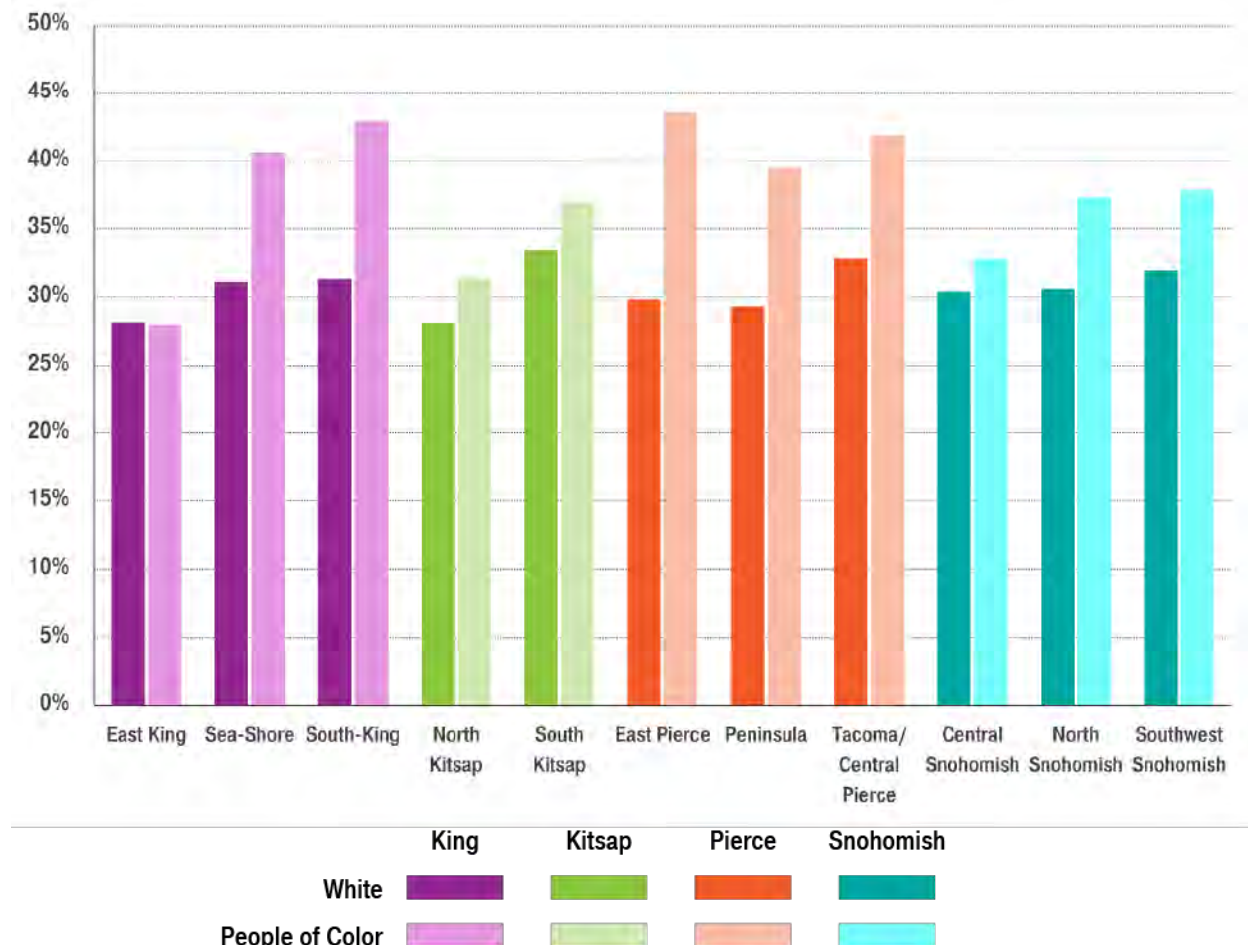


Source: American Community Survey 5-Year Estimates

Note: Households “Not Computed” is less than 1 percent for each subarea and not shown in the figure



**Figure 99: Cost Burdened Renter Households by Race/Ethnicity, 2016**



Source: Comprehensive Housing Affordability Survey, 2012-2016

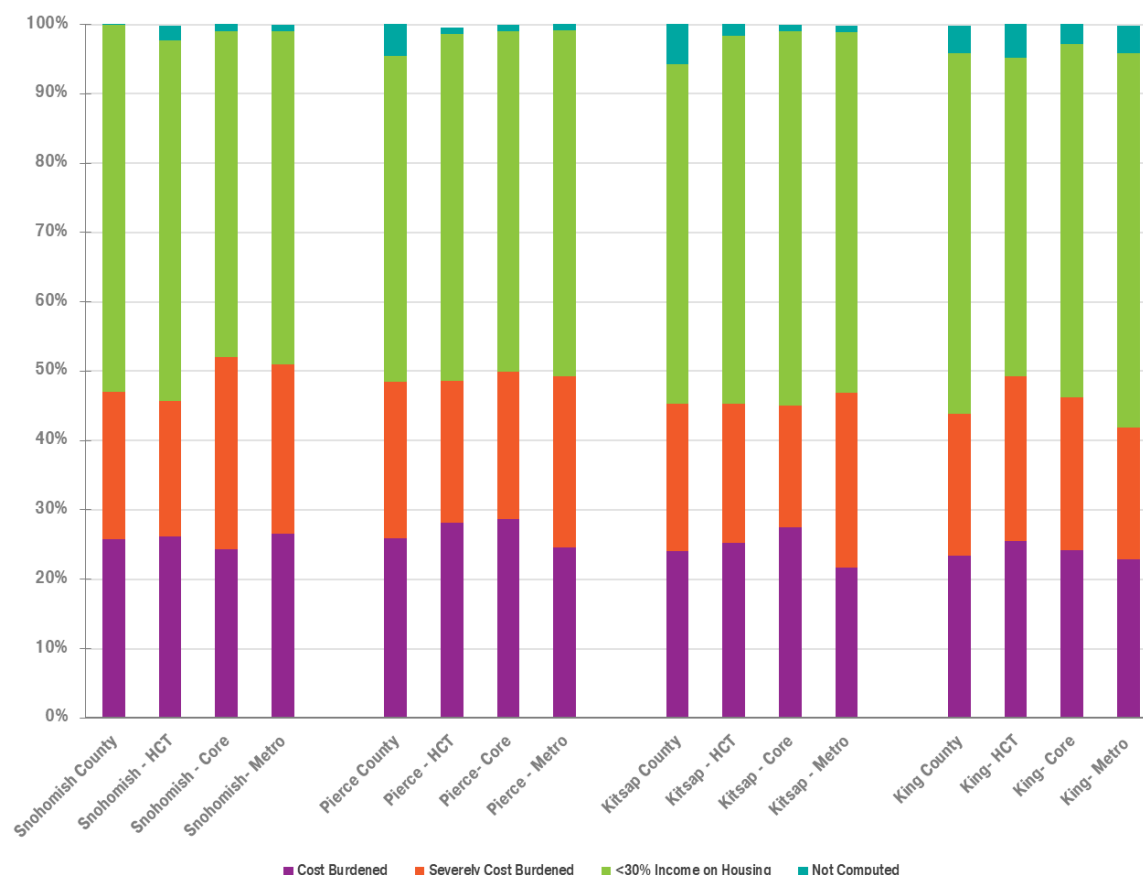
Cost burden varies by the race/ethnicity of households, as highlighted in Figure 99. Overall, American Indian, Black, and Hispanic/Latinx households are more likely to be cost burdened, regardless of housing tenure. Close to half of all Black, Hispanic/Latinx and American Indian renter households pay more than 30 percent of their incomes on housing. When looking at low-income households, those making less than \$35,000 annually, the majority of renters are severely cost burdened, with little variation by race. Section 4 of this report discusses combined housing and transportation costs. For many households, transportation is the second largest expenditure, and a combined look at housing and transportation provide more context on overall community affordability and cost trade-offs.

Cost burden by regional geography is consistent with regional trends, as show in Figure 100, with about one in two renters pays more than 30 percent of income on housing costs, indicating that the lack of housing affordable to moderate and lower-income households is an issue across the region,



regardless of the size or location of a city. There are slightly greater rates of cost burden in Core cities in Snohomish County and lower rates across Kitsap County.

**Figure 100: Cost Burdened Renter Households Earning Less than 80 Percent AMI by Regional Geography, 2018**



Source: American Community Survey 5-Year Estimates

## 8.7 AFFORDABILITY NEEDS

Providing housing affordable to households earning different incomes requires different approaches. To craft effective strategies, it is imperative to understand the types and cost of housing needed in a community relative to the supply of housing available to households at each income level.

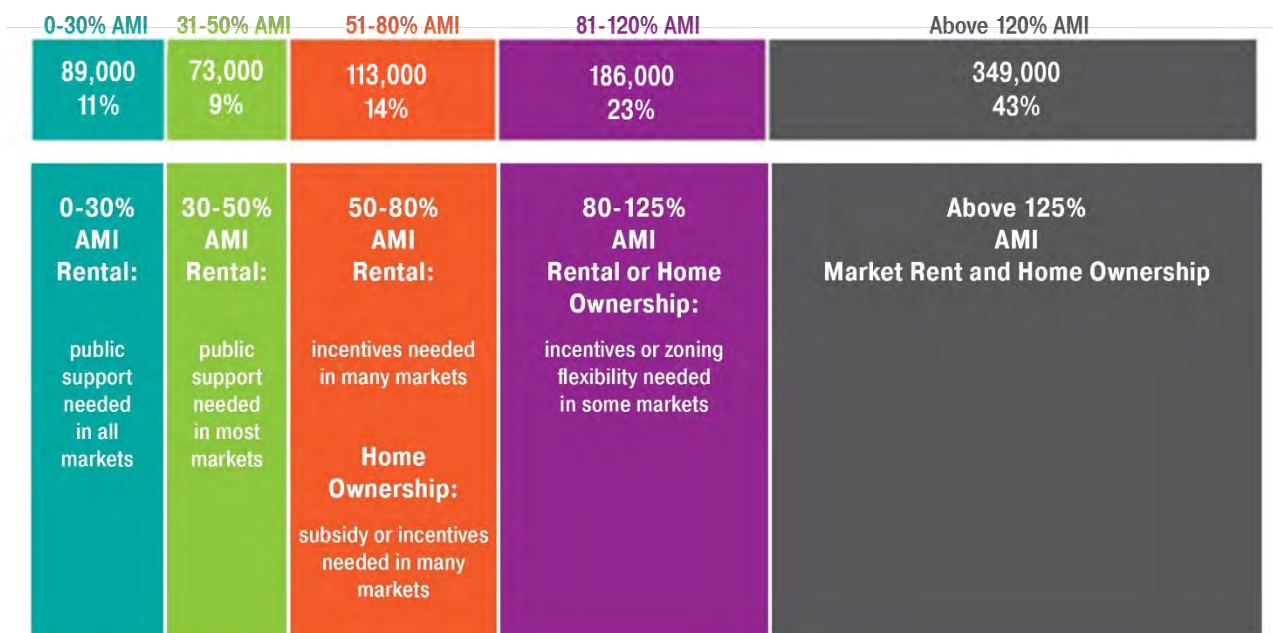
Future household incomes cannot be accurately predicted but are likely to be similar to those today. Today, 31 percent of the region's households pay at least 30 percent of their income towards housing, and 60 percent of these cost-burdened households are moderate to low-income. In the future, demand by lower income households is anticipated to be similar to today, with 11



percent of households at the extremely low-income level (0-30 percent AMI) and 27 percent at low to moderate income levels (31-80 percent AMI).<sup>35</sup>

Applying these shares to the total housing units needed to accommodate future population growth through 2050 (810,000 units) means the region will need to produce 275,000 units affordable at 80 percent or less median income.”

**Figure 101: Anticipated Future Housing Need by Income Group, 2020- 2050**



Source: American Community Survey Public Use Microdata Sample

Providing affordable units for very low-income residents and providing housing options for residents experiencing homelessness cannot be fully addressed by the private market alone. Public intervention is necessary to ensure housing units are affordable to households at the lowest income levels now and in the future.

The amount of housing needed now and out to the year 2050 has been calculated with an affordability lens in two ways: income level analysis and to alleviate cost burden for households earning less than Area Median Income. Both types of analysis emphasize the need for more housing affordable to lower income households, now and in the years to come. Simply put, the region cannot fully address affordability needs until the housing needs of extremely low-income (less than 30 percent AMI) households are met. Addressing the needs of the lowest income households will cause a chain reaction, freeing up more moderately priced housing units that are more affordable for households at higher income thresholds. The current housing crisis is not

<sup>35</sup> 2016 ACS 1-YEAR PUMS.



something that we can “build out way out of” with market rate housing alone. This will require significant incentives, subsidies, and funding as the private market cannot produce housing affordable to these households without public intervention.

### Income Level Analysis

The income level analysis determines current need by calculating the gap between households and available housing units by AMI category: 0 – 30 percent, 31 – 50 percent, 51 – 80 percent, 81 – 100 percent, 101 – 120 percent, and more than 120 percent. Future need is determined by estimating housing units needed at each AMI level to accommodate future population growth identified in the Housing Supply analysis. Total need for households below 80 percent AMI is found by adding current and future need to determine total need. The income level analysis does not account for down renting<sup>36</sup>.

Figure 102 shows the number of housing units affordable to households within different income categories. There is a significant lack of housing units affordable to households earning less than 50 percent AMI. As a result, very low and low-income households face a lack of affordable units, requiring residents to rent more expensive units.

**Figure 102: Current Housing Need by Income Level, 2017**



Source: American Community Survey Public Use Microdata Sample

<sup>36</sup> Down renting refers to households often seeking the most affordable housing options possible. For example, a household earning 100percent AMI may choose to rent an apartment that is affordable to a household earning 80percent AMI. Thus the 100percent AMI household saves on housing costs, but a household earning 80percent AMI may be forced to rent an apartment that is not affordable if a more affordable unit is not available.



Looking ahead, over one-third of new units will need to be affordable to households earning less than the median income in order to meet affordability needs. In most housing markets across the region, these more affordable units will require some level of subsidy or incentive to be affordable to moderate- and lower-income households.

**Figure 103: Housing Units Needed by Income Level, 2020-2050**

AMI Category	King		Kitsap		Pierce		Snohomish	
	# of units	% of new units	# of units	% of new units	# of units	% of new units	# of units	% of new units
<b>0-30% AMI</b>	48,000	11%	4,000	9%	18,000	11%	20,000	11%
<b>31-50% AMI</b>	37,000	9%	3,500	8%	14,000	9%	17,000	9%
<b>51-80% AMI</b>	51,000	12%	7,000	16%	26,000	16%	27,000	15%
<b>81-100% AMI</b>	53,000	13%	4,000	9%	18,000	11%	30,000	16%
<b>101-120% AMI</b>	36,000	9%	5,000	12%	18,000	11%	21,000	11%
<b>Above 120% AMI</b>	194,000	46%	19,000	45%	68,000	42%	71,000	38%
<b>All Households</b>	<b>419,000</b>		<b>42,500</b>		<b>162,000</b>		<b>186,000</b>	

Source: American Community Survey Public Use Microdata Sample, PSRC

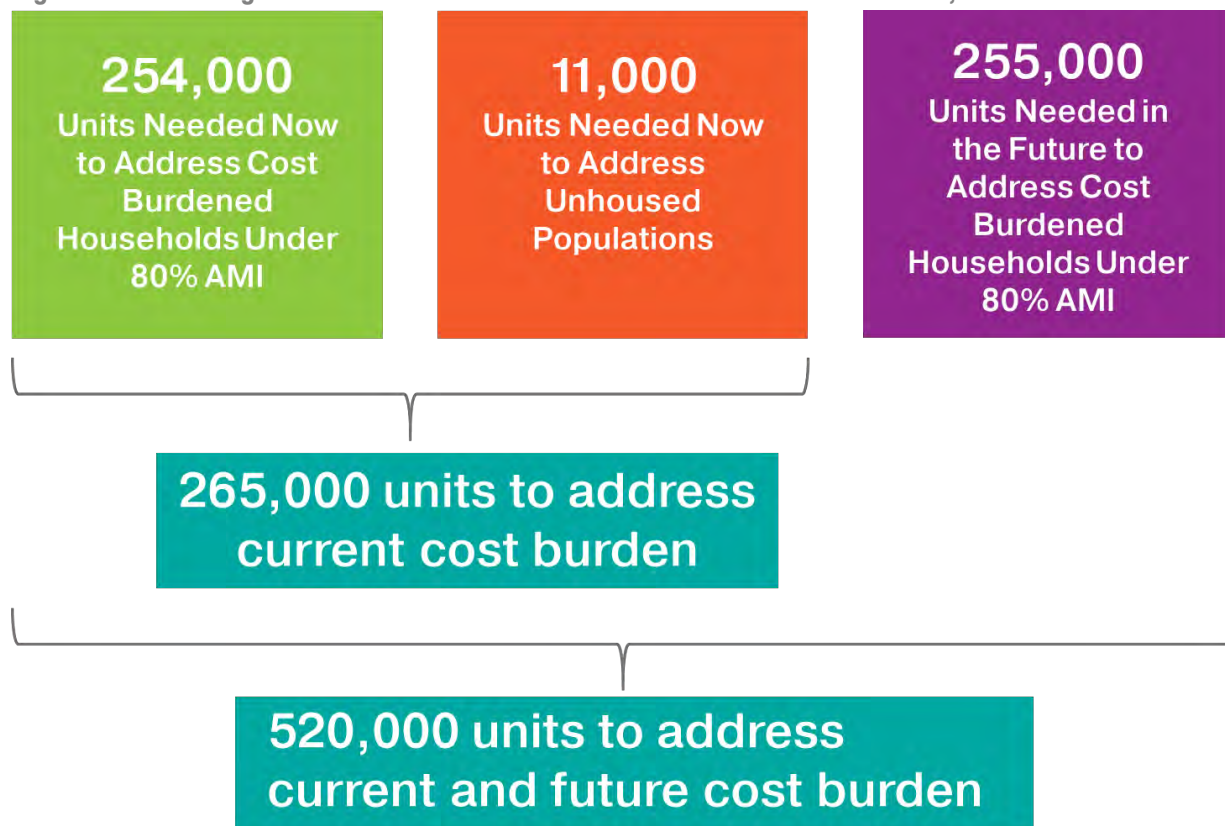
### Cost Burden Analysis

The cost burden needs analysis seeks to identify the number housing units needed to ensure low-income households do not pay more than 30 percent of income on housing costs. The cost burden needs analysis determines current need by estimating the housing units needed to eliminate cost burdened households up to 80 percent AMI and people experiencing homelessness today. Future need is determined by estimating future households at each median income level commensurate with estimates of future population growth from the Housing Supply analysis. Total need is found by adding current and future need to determine total need.

Figure 104 shows the number of units needed now and, in the future, to ensure households earning less than 80 percent AMI are not cost burdened – paying no more than 30 percent of income on housing costs such as rent, mortgage, utilities, or parking fees. The cost burden methodology estimates that for households below 80% AMI, there is a current shortage of 265,000 units including 11,000 units to address unhoused individuals and families. The methodology also estimates that an additional 255,000 units affordable to households below 80% AMI will be needed to address future population growth, for a total of 520,000 units altogether.



**Figure 104: Housing Units Needed to Address Current and Future Cost Burden, 2020-2050**



Source: PSRC

## **9 CONCLUSION AND NEXT STEPS**

The purpose of this analysis is to get an estimated idea about current and future needs to help inform the Regional Housing Strategy and potential policy and program changes. The housing needs identified in this analysis point to a variety of potential implications to be considered moving forward.

PSRC's boards will use this and other information to shape the Regional Housing Strategy. The strategy will evaluate potential tools and actions to help local jurisdictions better understand their roles in local and regional housing work. It will describe the types of intervention needed, where, and at what scale to address gaps identified in the needs assessment. Tools and actions will need to specifically address centers and areas served by high-capacity transit where the majority of growth is anticipated, and various other types of markets and places across the region.

Local governments have completed significant housing work at the county, subregional, and local scale, such as housing action plans funded by HB 1923, the King County Affordable Housing Committee, and Snohomish County Housing Affordability Response Team (HART). Yet, this



analysis and others identify persistent, regionwide challenges. PSRC will continue to coordinate with local jurisdictions to ensure the strategy amplifies existing work at the regional and local level and identifies targeted solutions.

More information on the Regional Housing Strategy is available online at

<https://www.psrc.org/regional-housing-strategy>.



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# PIERCE COUNTY HOUSING ACTION STRATEGY **PROJECT OVERVIEW & HOUSING NEEDS ASSESSMENT**

COUNTY COUNCIL PRESENTATION, FEBRUARY 8, 2022

Presenter: Kevin Ramsey, BERK Consulting  
Contact: [kevinr@berkconsulting.com](mailto:kevinr@berkconsulting.com)



# PROJECT OBJECTIVES

Develop a Countywide Housing Action Strategy that considers the following:

- Housing needs countywide, including both incorporated and unincorporated areas.
- Barriers that impact housing production and preservation efforts countywide.
- Policy recommendations for increasing the availability of housing across the income spectrum.
  - Emphasis on unincorporated Pierce County, but with consideration of countywide needs.
  - Identification of potential coordinated actions with cities, housing authorities, or other partners.
- Implementation plan with priorities short-, medium-, and long-term strategies.
- Evaluation tool for monitoring progress towards defined goals.



# TECHNICAL ADVISORY GROUP MEMBERS

- **Bryan Schmid**, County Department of Human Services
- **Erika Rhet**, County Dept of Planning and Public Works
- **Mike Kruger**, County Council Office
- **Joe van Dyk**, County Council Office
- **Felicia Medlen**, City of Tacoma
- **Tiffany Speir**, City of Lakewood
- **Jim Stretz**, Pierce County Housing Authority
- **Jessie Gamble**, Master Builders Association
- **Katie Baker**, City of Puyallup
- **April Black**, Tacoma Housing Authority
- **Amanda DeShazo**, Tacoma/Pierce County Affordable Housing Consortium
- **SSHAP Manager** (TBD)



# PROJECT SCHEDULE

Deliverable	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Housing Needs Assessment			Draft		Final					
Identify & Assess Barriers				Draft	Final					
Policy Recommendations						Draft	Final			
Implementation & Monitoring Plan									Draft	Final
Final Report										Final
Engagement Program		Stakeholder interviews				Event				
TAG Meeting Series	✓		✓	✓		✓		✓	✓	
	Project Goals/ Overview		Discuss HNA		Discuss Barriers		Discuss Policies		Discuss Implem- entation	
									Review Draft Report	



# HOUSING NEEDS ASSESSMENT ORGANIZATION

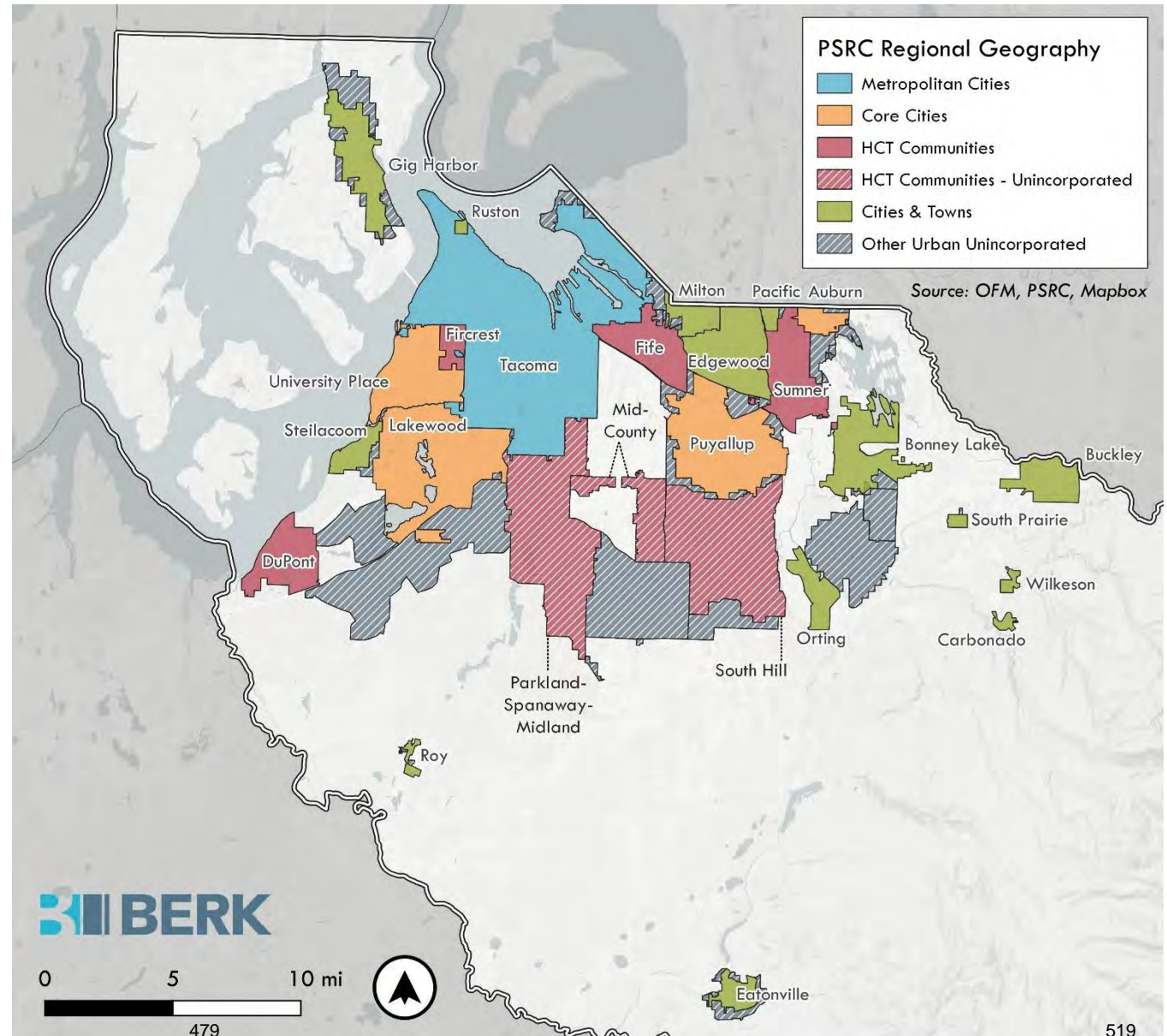
- **Executive Summary**
- **Community Profile**
- **Housing Supply**
- **Housing Affordability**
- **Displacement Risk**
- **Homelessness**
- **Current Housing Needs**
- **Projected Housing Needs**



## STUDY AREA

Unless noted otherwise, all statistics are for the entire county, including incorporated and unincorporated areas.

Some analysis breaks down the county by PSRC Regional Geographies, as shown in this map.



\* Note: All Pierce County areas without a color designation are Rural Unincorporated



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# HOUSING SUPPLY

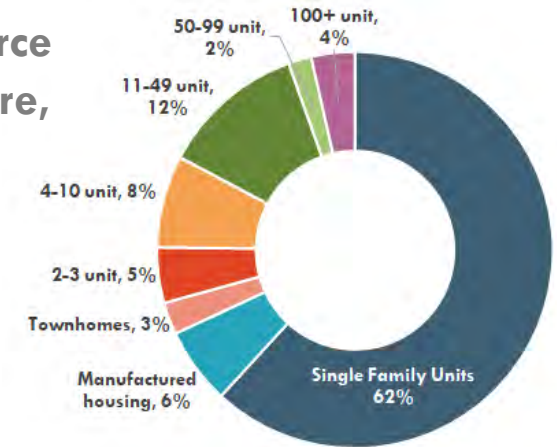
- Current housing stock
- Production trends



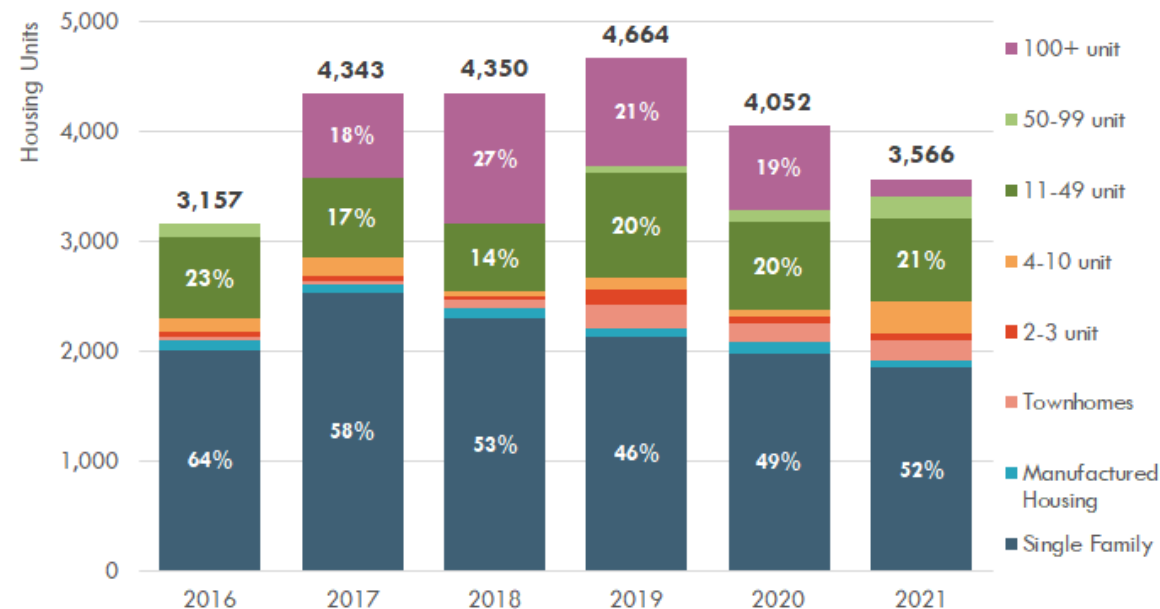
## KEY FINDINGS

- The housing supply is primarily single-family homes or larger multifamily buildings.
- There is a shortage of “missing middle” housing such as townhomes and multiplexes.
- Missing middle housing types are a small but growing share of recent housing production.

**Total Housing Units in Pierce County by Units in Structure, 2021.**



**Pierce County Housing Unit Production by Units in Structure, 2016-2021.**

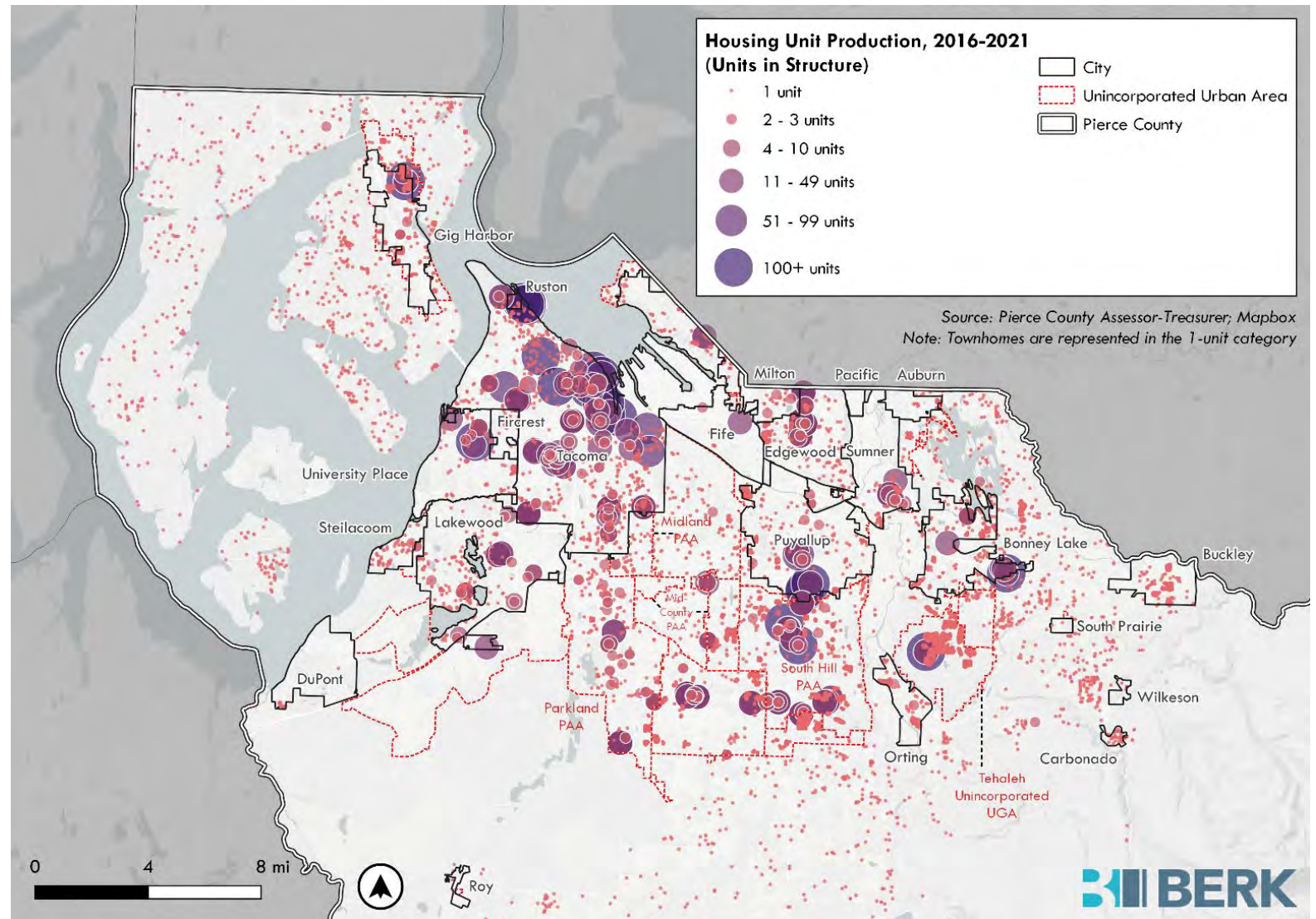


Sources: Pierce County Assessor, 2021; BERK, 2022.



## KEY FINDINGS

- Over half of all new housing development was in unincorporated areas.
- Cities such as Tacoma and Puyallup saw a greater diversity of housing types constructed.





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# HOUSING AFFORDABILITY

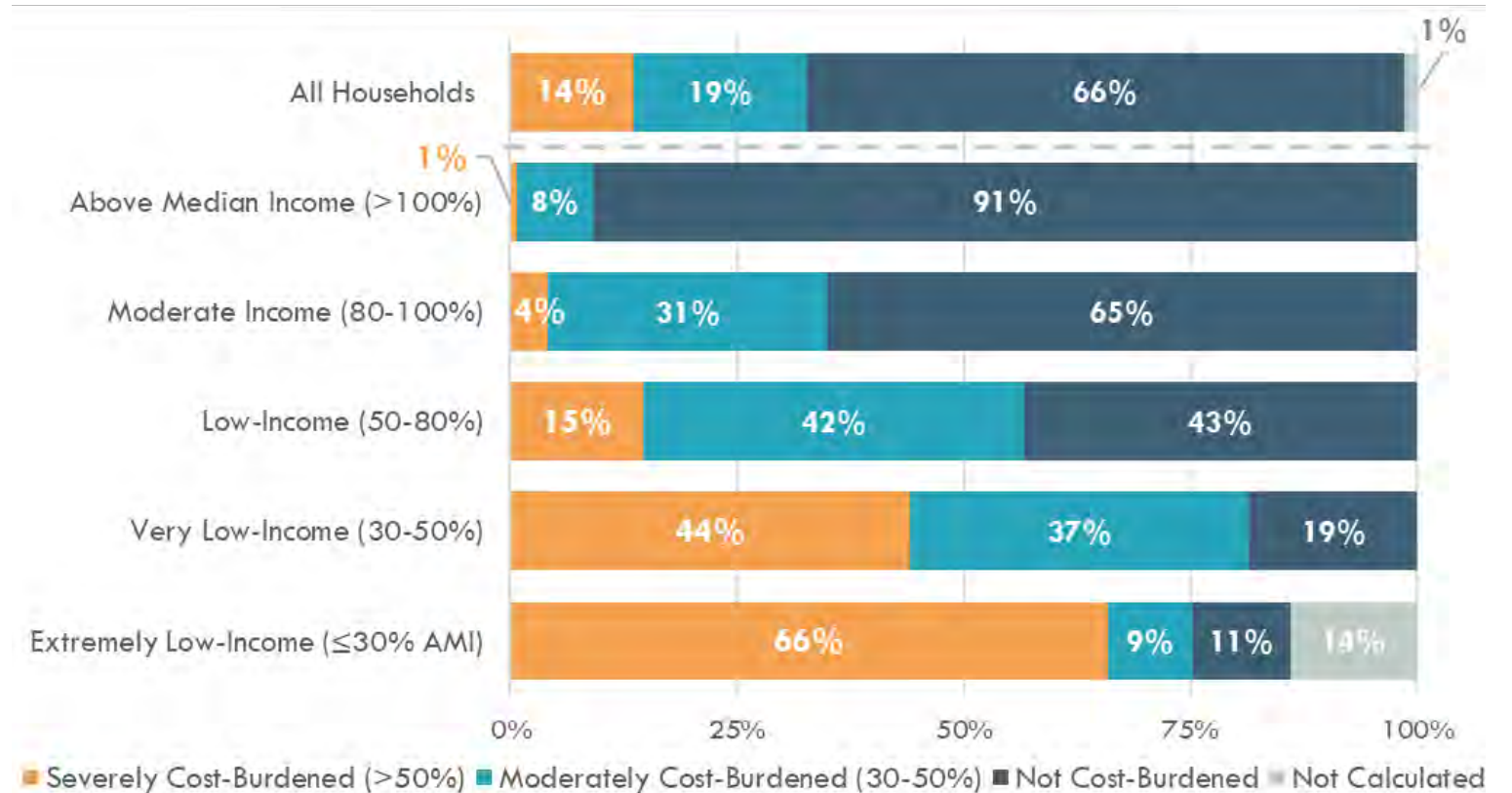
- Housing cost burden
- Ownership housing cost & availability
- Rental unit cost & availability



## KEY FINDINGS

- **In Pierce County over 100,000 households experience cost burden.** This is about one-third of all households.
- Of these, over 43,000 households are severely cost-burdened. Rates of cost burden are much higher among the lowest income brackets.

## Rates of Cost Burden by Income Level, 2014-2018



Sources: HUD CHAS (based on ACS 2014-2018 5-year estimates); AMI = HUD Area Median Family Income; BERK, 2022.

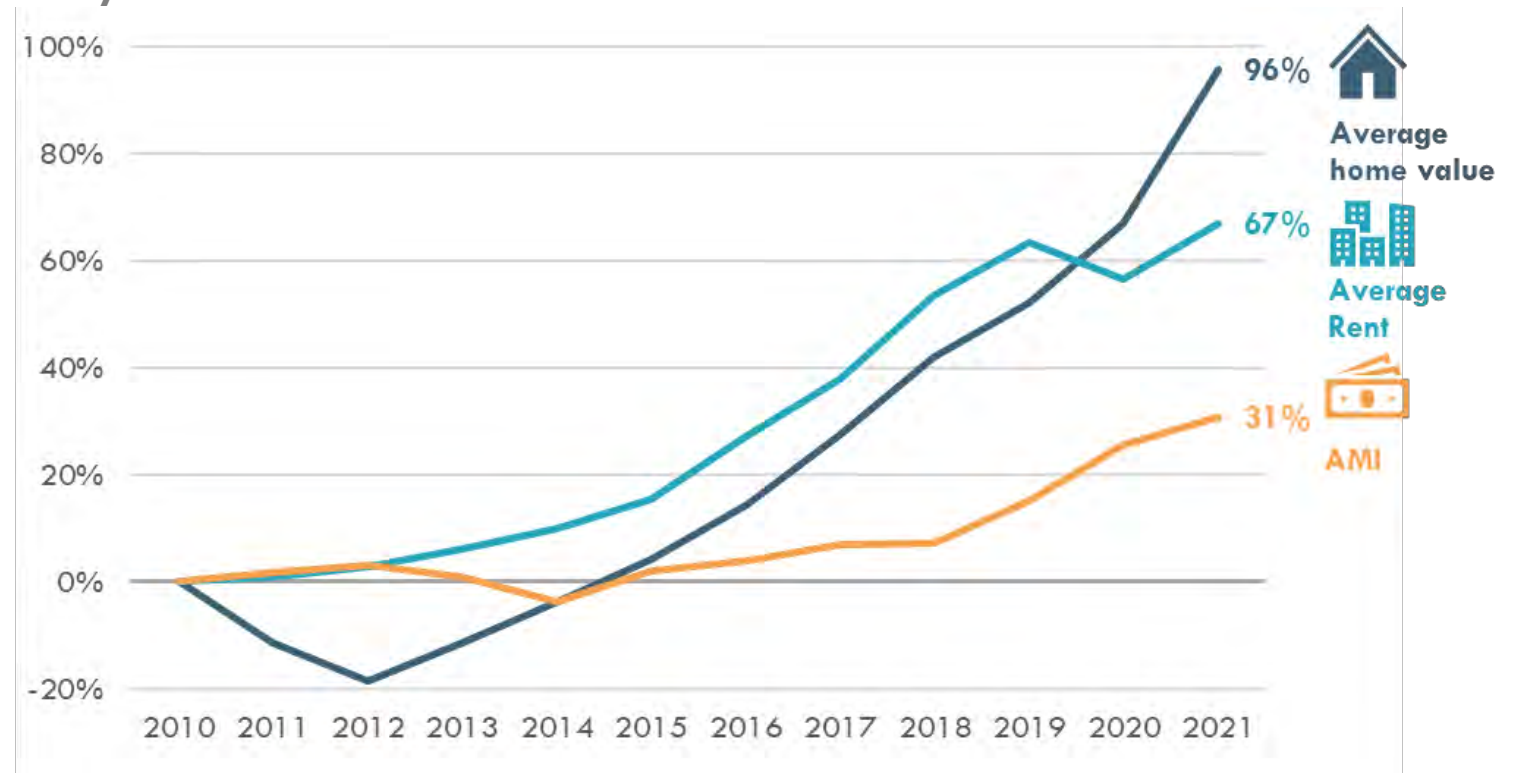
A household is moderately cost-burdened if it spends 30-50% of its income on housing.  
A household is severely cost-burdened if it spends more than 50% of its income on housing.



## KEY FINDINGS

- **Housing costs have risen three times as fast as incomes over the past decade in Pierce County (2010-2021).**
- The cost to purchase an average home is only affordable to those with incomes 150% AMI or higher.

**Percent Change from 2010 for Home Values, Rents, and HUD Area Median Family Income.**



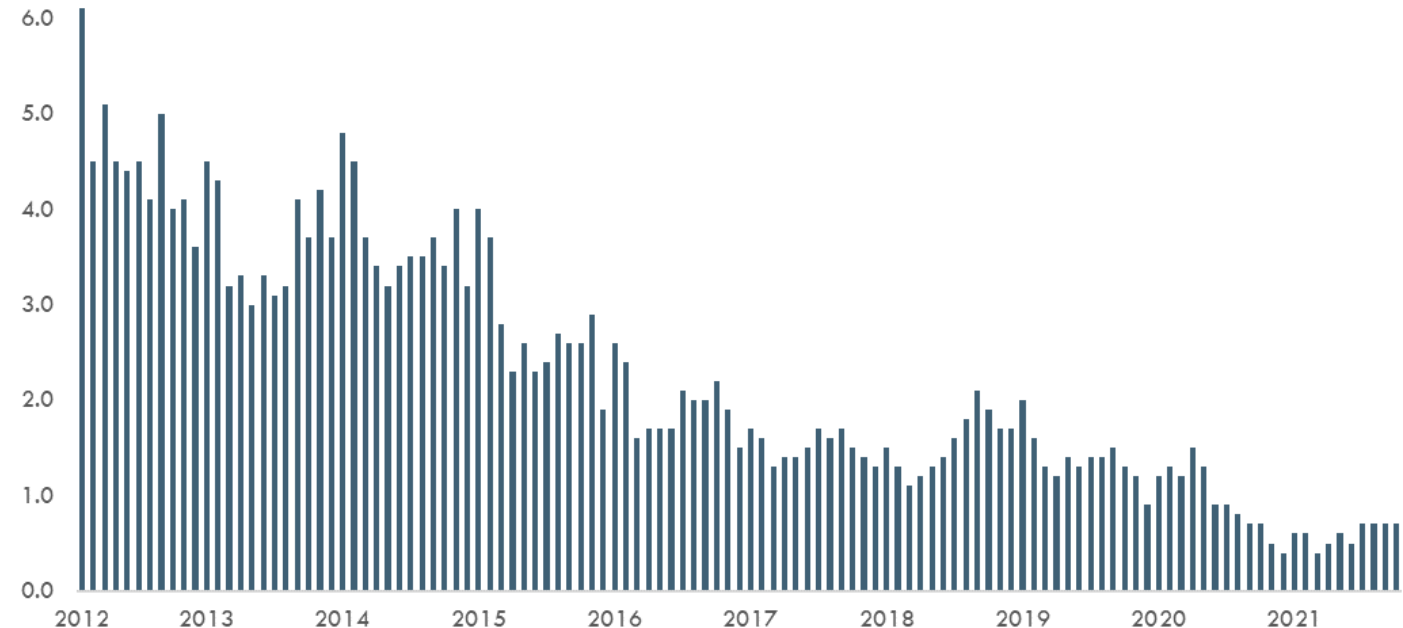
Notes: Decline in 2020 rental rates may be impacted by COVID-19 pandemic. Home value increase in 2021 could be partially attributed to the monthly data through September of the year, as values often show a slight decline at the end of the year. Sources: Zillow, Sept 2021 (Home Values); WCRER Fall Apartment Survey, 2010-2021 (Rent); HUD, 2021 (AMI); BERK, 2022.



## KEY FINDINGS

- **The inventory of homes for sale has dropped dramatically,** down 83% from 2012-2021.
- This lack of supply increases competition and drives up housing prices.

### All Homes for Sale, by Months of Supply in Pierce County 2012-2021.



Sources: Redfin, October 2021; BERK, 2022.

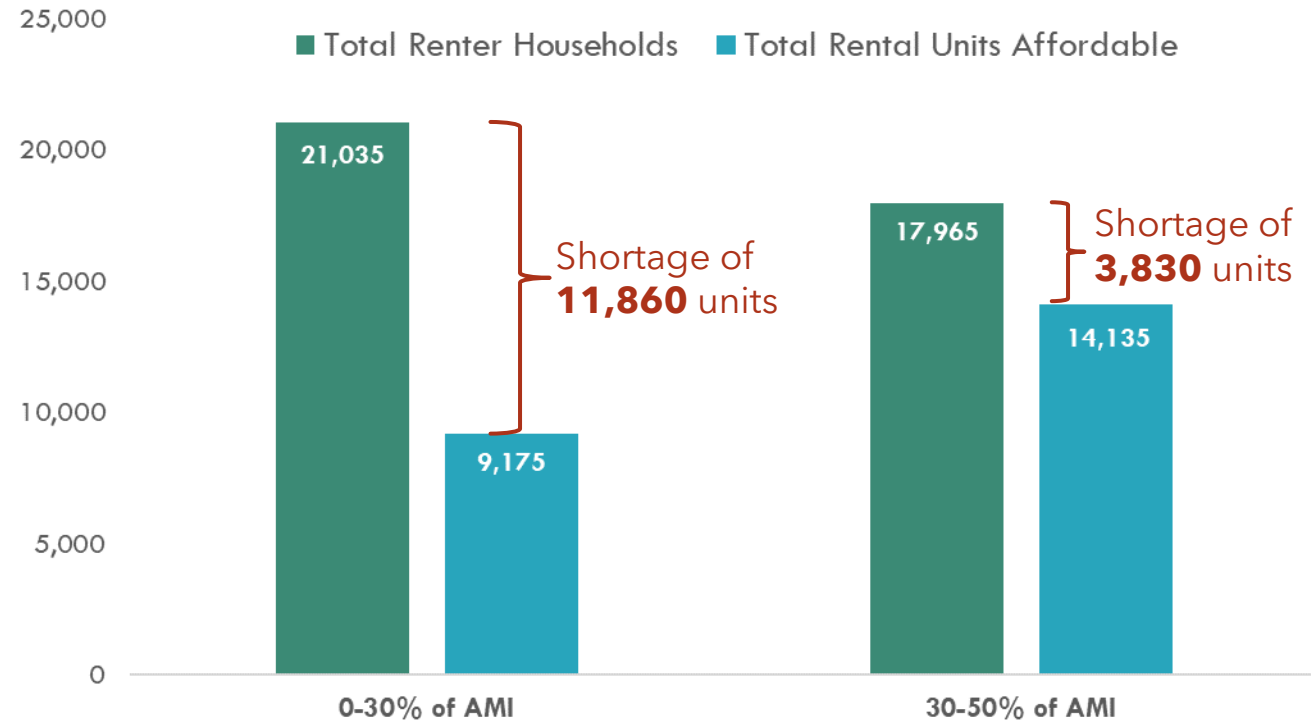
*This chart compares the number of homes available for sale to the rate that homes are being sold. When months of supply dips below four, there is typically heightened competition and price escalation.*



## KEY FINDINGS

- **There is a shortage of 15,690 rental units affordable for households below 50% of AMI** compared to the number of renter households at this income levels.
- Housing costs have increased significantly since 2018, so it is likely these shortages have increased.

### Affordable Rental Units Compared to Need, 2014-2018.



AMI = HUD Area Median Family Income

Source: HUD CHAS (based on ACS 2014-2018 5-year estimates); BERK, 2022.

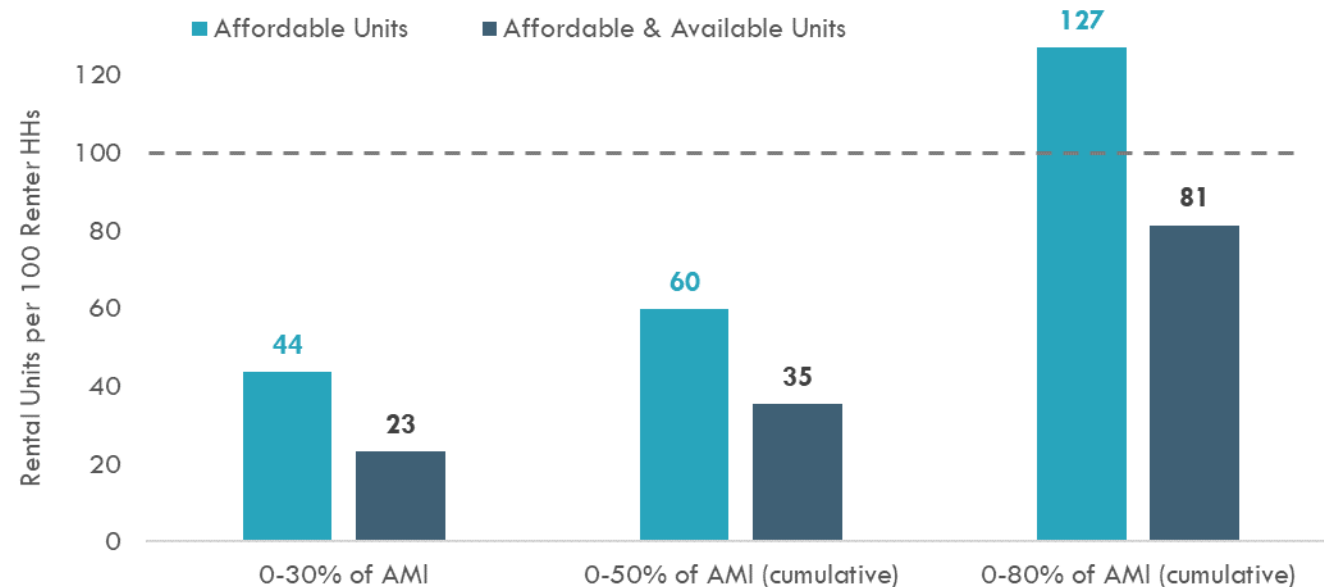


## KEY FINDINGS

- **In 2021, the average market-rate rent for a 2-bedroom apartment in Pierce County is affordable at 76% AMI.\***
- However, many moderate-income households are unable to enter the ownership market and living in rental units. This “down renting” reduces the availability of rental units for low-income households.

\*Source: Rent estimate of \$1,547 from WCRER, 2021. AMI calculation based on assumption of 3-person household.

## Affordable and Available Rental Units per 100 Renter Households at or below Income Level, 2014-2018.



Sources: HUD CHAS (based on ACS 2014-2018 5-year estimates); AMI = HUD Area Median Family Income; BERK, 2022.

- **There is a significant shortage of rental units affordable to renter households with incomes below 50% of AMI.**
- While there was a nominal surplus of rental units available at 80% of AMI or below, many of those units were occupied by moderate- and higher-income households. This results in an effective shortage of units that are affordable and available to low-income households.



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# SUMMARY OF CURRENT HOUSING NEEDS



## CURRENT HOUSING NEEDS BY INCOME LEVEL, COUNTYWIDE

Income Level	Estimated Households	% of County	Shortage of Affordable Units*	Notes
0-30% of AMI	32,350	10%	13,050	A portion of these needs will need to be addressed with permanent supportive housing.
30-50% of AMI	28,865	9%	3,830	Effective shortage of units is much higher due to down renting by higher income households.
50-80% of AMI	51,480	16%		On average, market rents are affordable at this level. However, there is a shortage of affordable and available units due to down renting.
80-100% of AMI	34,040	11%		No path to homeownership for most households that don't already own. Therefore, many are down renting in units that would otherwise be affordable at lower income levels.
100-120% of AMI	172,155**	54%**		
>120% of AMI				New single-family homes are typically only affordable above 150% of AMI

\* These shortages of affordable rental units are based on conditions between 2014 and 2018 as well as homeless households in 2019. Shortages today are likely to be higher.

\*\* Additional analysis is still required to estimate households above and below 120% of AMI.



## ESTIMATED UNDER-PRODUCTION OF HOUSING 2010-2021

Household population growth, 2010-2021	130,044
Average household size, 2010	2.59
Estimated household growth, 2010-2021	50,210
Net new housing units produced, 2010-2021	37,227
<b>Underproduction of units compared to household demand</b> (assuming 6% vacancy)	<b>13,666</b>

Sources: OFM, 2021; Census 2010 & 2020; Census ACS 2019; BERK calculations.



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# PROJECTED HOUSING NEEDS



# COMPARISON OF COUNTYWIDE HOUSING GROWTH PROJECTIONS, 2020-2044

	Countywide Housing Production 2020-2044	Comparison to a Continuation of Recent Growth Trends
Continuation of Recent Growth Trend (based on 2016-2021 rate of housing production)	93,876	
Pierce County 2044 Housing Growth Targets (preliminary draft)	96,065	+2,189 (2% higher)
PSRC Regional Housing Needs Assessment	129,600	+35,724 (38% higher)

Source: Pierce County, 2021; PSRC, 2021; BERK analysis of Pierce County Assessor data, 2022.

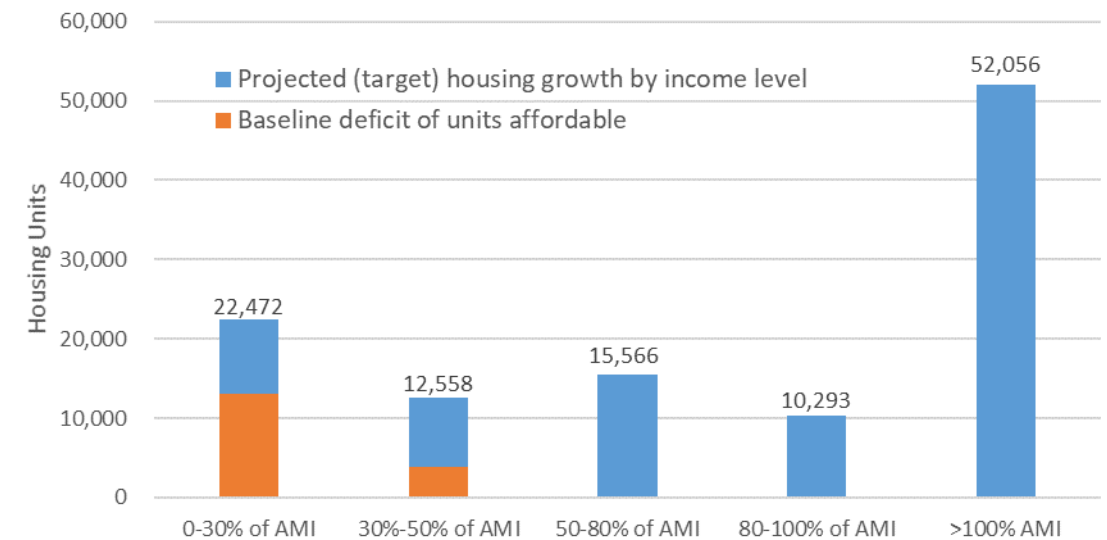


# PROJECTED HOUSING NEEDS BY AFFORDABILITY LEVEL

## Chart key:

- **Blue:** Total future housing production assumed in Pierce County's growth targets (96,065) broken down by income level, based on the current shares of households by income level.
- **Orange:** Baseline deficit of rental units affordable compared to current need. (16,880 total)

*Combined these unit need projections exceed countywide growth targets. If the County wishes to fully address needs for lowest income households without decreasing current housing production targets it will have to reduce the share of housing growth expected for households above 50% of AMI.*

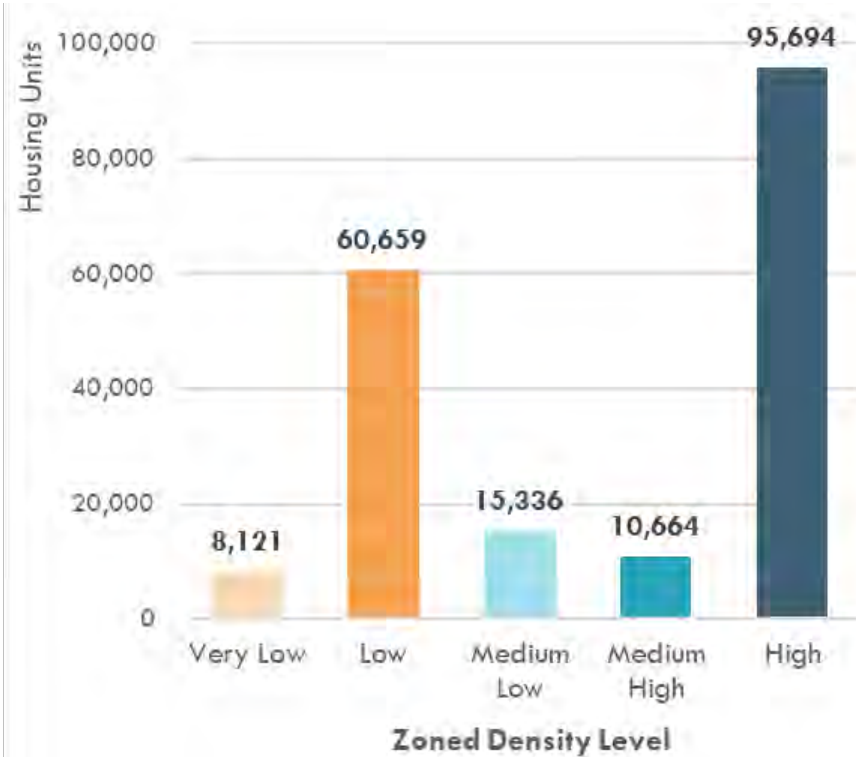


AMI = HUD Area Median Family Income

Sources: Pierce County Preliminary Draft Growth Targets, 2021; HUD CHAS (based on ACS 2014-2018 5-year estimates); Pierce County PIT, 2019; BERK, 2022.



# CAPACITY FOR NEW HOUSING PRODUCTION, COUNTYWIDE



Sources: Pierce County Buildable Lands Report, 2021;  
BERK, 2022.

Density Level	Units per Net Acre	Description	Example	Potential Income Levels Served	
				Market Rate	Below Market Rate
Very low	Less than 4	Detached single family homes on large lots.		<b>Higher Income</b> (>120% of AMI)	Very limited potential to serve <b>Moderate-Income</b> where manufactured homes are permitted.
Low	4-10	Detached single family homes on typical suburban lots.		<b>Higher Income</b> (>120% of AMI)	Limited potential to serve <b>Moderate-Income</b> where manufactured homes are permitted.
Medium-Low	10-24	Small lot single family homes, duplex, triplex, & lower-density townhouses.		<b>Moderate-Income</b> (80-120% of AMI) In higher cost communities may only be suitable for 100% of AMI or higher.	Some potential to serve <b>Moderate-Income</b> where manufactured homes are permitted.
Medium-High	24-48	Low-rise apartments and condominiums; higher-density townhomes.		<b>Moderate-Income</b> (80-120%) or potentially <b>Low-Income</b> (50-80%) in lower cost communities.	Potential to serve <b>Low-Income</b> (50-80%) with incentives or <b>Very/Extremely Low-Income</b> (0-50% of AMI) with subsidies
High	48+	Mid- and high-rise apartments and condominiums.		<b>Moderate-Income</b> (80-120%) or potentially <b>Low-Income</b> (50-80%) in lower cost communities.	Potential to serve <b>Low-Income</b> (50-80%) with incentives or <b>Very/Extremely Low-Income</b> (0-50% of AMI) with subsidies



# RESIDENTIAL CAPACITY BY JURISDICTION

## Findings

- Most of the capacity for middle density housing is in Tacoma, Lakewood, Puyallup, and Bonney Lake. Very limited elsewhere.
- Almost all capacity outside of Metro and Core Cities is for low density.

## Notes for interpreting capacity data

- Based on historic growth trends by zone, not necessarily max allowed density.
- Does not include zoning changes currently in progress such as *Centers and Corridors*, *At Home in Tacoma*, or recommended changes in city HAPs.

Sources: Pierce County Buildable Lands Report, 2021; BERK, 2022.

Note: Military areas (JBLM) are excluded from this analysis

Jurisdiction/UGA	Dwelling Unit Capacity by Zoned Density Level				
	Very Low (0-4 DU/acre)	Low (4-10 DU/acre)	Medium Low (10-24 DU/acre)	Medium High (24-48 DU/acre)	High (48+ DU/acre)
Tacoma	0	10,108	3,071	3,848	89,274
Auburn (part)	0	129	0	0	0
Lakewood	242	1,942	2,428	2,834	3,196
Puyallup	34	2,906	2,255	2,340	0
University Place	0	818	0	1,363	2,235
DuPont	15	155	45	0	0
Fife	0	2,430	11	0	0
Fircrest	0	177	0	0	0
Mid-County, Parkland-Spanaway-Midland, South Hill	3,910	14,239	1,739	0	0
Sumner	0	706	457	279	989
Bonney Lake	25	1,617	2,803	0	0
Buckley	165	1,591	0	0	0
Carbonado	0	393	0	0	0
Eatonville	8	887	429	0	0
Edgewood	2,295	399	996	0	0
Gig Harbor	0	2,461	0	0	0
Milton (part)	305	329	0	0	0
Orting	64	512	0	0	0
Pacific	0	0	0	0	0
Roy	334	0	0	0	0
Ruston	0	51	0	0	0
South Prairie	0	401	0	0	0
Steilacoom	0	651	43	0	0
Wilkeson	0	352	0	0	0
Other Unincorporated UGA	724	17,210	1,019	0	0
Rural Unincorporated	0	195	40	0	0
<b>Total Countywide</b> <sup>496</sup>	<b>8,121</b>	<b>60,659</b>	<b>15,336</b>	<b>10,664</b>	<sup>536</sup> <b>95,694</b>
<b>% of Total Capacity</b>	<b>4%</b>	<b>32%</b>	<b>8%</b>	<b>6%</b>	<b>50%</b>



# NEXT STEPS

- Late February: Summary of barriers to affordable housing production
- March 2: Advisory Group meeting to discuss barriers
- April: Policy recommendations to address needs and barriers



# Q&A

## **Contact Information:**

Kevin Ramsey, BERK Consulting

[kevinr@berkconsulting.com](mailto:kevinr@berkconsulting.com)



## Lakewood Human Services, Housing and Homeless Prevention

Since incorporation, the City has been proactive in addressing the human, social and housing service needs of the Lakewood community. Housing affordability, substance abuse issues, and the lack of state and federal funding for mental and behavioral health going back several decades has created significant challenges for communities throughout the nation, including Lakewood. The City has responded to these problems in a number of ways including collaborative partnerships and the contribution of funding to individuals and local service providers. These combined prevention and intervention efforts create a safety net for our resident to help prevent homelessness.

The City partners with multiple organizations within Lakewood to address homelessness and mental health issues, including: Living Access Support Alliance (LASA), Habitat for Humanity, Western State Hospital, Catholic Community Services, Greater Lakes Mental Health, St. Clare Hospital, two methadone clinics, Tacoma Treatment Solutions and Northwest Integrated Health. The following table shows 16 key programs initiated by Lakewood to-date. Not including ARPA, the adopted 2021-2022 Biennial Budget sets aside \$4,290,785 in support of a number of human services, housing and homeless prevention programs. Following this summary table is a detailed description of the programs offered by the City.

Description	Human Services, Housing & Homeless Prevention			
	2020 Actual	2021 actual	2022 Proposed	Total
Human and Social Services (1% of General Fund)	\$ 361,500	\$ 380,000	\$ 390,000	\$ 770,000
Behavioral Health Contact Team (BHCT)	294,500	317,276	392,367	709,643
Mental Health Resource Coordinator	26,000	26,000	-	26,000
Veterans Treatment Court (VTC)	137,500	137,500	137,500	275,000
Community Development Block Grant (CDBG)				
Major Home Repair & Sewer Loan Program	506,863	376,750	400,000	776,750
Living Access Support Alliance (LASA)	-	89,250	30,000	119,250
Emergency Assistance for Displaced Residents	45,000	-	36,000	36,000
HOME Housing Services	10,000	10,000	10,000	20,000
Administration (20% Lakewood)	119,201	119,000	119,000	238,000
Subtotal CDBG	681,064	595,000	595,000	1,190,000
HOME Investment Partnerships Program				
Tenant-Based Rental Assistance (TBRA) Program	148,464	84,250	-	84,250
Homeowner Housing Rehabilitation	215,000	125,000	-	125,000
Affordable Housing Loan	150,000	-	-	-
Living Access Support Alliance (LASA)	-	60,750	270,000	330,750
Habitat for Humanity	640,000	75,000	-	75,000
Administration (10% Tacoma)	33,163	30,000	30,000	60,000
Subtotal HOME	1,186,627	375,000	300,000	675,000
Affordable Housing Sales Tax Credit Program	48,849	97,571	97,571	195,142
Rental Housing Safety Program (RHSP)	233,333	225,000	225,000	450,000
CARES Act				
Individual & Family Assistance	680,567	-	-	-
Small Business Assistance	739,500	-	-	-
Commercial Landlord Assistance	250,000	-	-	-
Vital Government Services	177,013	-	-	-



City of Lakewood COVID-19 Response	658,020	-	-	-
To be determined	180,050	-	-	-
Subtotal CARES Act	2,685,150	-	-	-
CDBG CARES Act	807,337	-	-	-
Total	\$ 6,461,860	\$ 2,153,347	\$ 2,137,438	\$ 4,290,785

**1. Human Services:** 1% of City's General Fund finances totaling \$770,000 is allocated in the City's biennium budget (2021-2022) to a number of non-profit agencies in support of human and social services. Over the last six biennium's (2009 through 2020), this funding has totaled \$4,351,000 as outlined in the table below.

The City's human services funding currently supports 18 non-profit organizations that provide 24 unique programs in support of five strategy areas:

- Emotional supports and youth programs such as after-school programs, youth services, support for youth in school and Lakewood's Promise;
- Access to food to include bulk food purchases and distribution for mobile services and food banks;
- Access to health and behavioral health to include services for adults with disabilities, medical case management and donated care, dental care and therapy for survivors of sexual assault;
- Housing assistance to include emergency shelter, home repair, and homeless prevention services; and
- Other crisis stabilization services such as behavioral health intervention, legal and advocacy services for survivors of assault, domestic violence, and other crimes. The result of this collaborate investment and partnership with 18 non-profit agencies is that services and assistance is provided to over 30,000 individuals each year.

Year	Human Services Funding						
	2009/2010 Biennium	2011/2012 Biennium	2013/2014 Biennium	2015/2016 Biennium	2017/2018 Biennium	2019/2020 Biennium	TOTAL
Boys and Girls Club of Lakewood-Youth After School	\$ 100,000	\$ 40,000	\$ 20,000	\$ 24,000	\$ 25,000	\$ 40,000	\$
YWCA Pierce County-DV Shelter, Legal & Child	72,000	49,500	24,800	36,000	50,000	60,000	292,300
Lakewood's 5 Promises to Youth-Youth Services	20,000	52,000	52,000	43,000	43,000	50,000	260,000
Emergency Food Network-Food Distribution	30,000	45,000	40,000	43,000	50,000	50,000	258,000
Communities in Schools-After School Program	42,000	31,500	30,000	49,000	46,500	35,000	234,000
Greater Lakes Mental Health-Behavioral Health	32,000	-	-	63,000	50,000	50,000	195,000
Nourish Pierce County-Food Bank Program	-	18,000	30,000	33,500	50,000	40,000	171,500
Clover Park School District-Early Learning	100,000	40,000	30,000	-	-	-	170,000
Catholic Community Services-Emergency Housing	14,000	14,000	40,000	28,000	32,000	30,000	158,000
Community Health Care-Medical Care	27,000	46,000	15,000	24,000	5,000	40,000	157,000
Tacoma Rescue Mission-Family Shelter	40,000	20,000	40,000	24,000	30,000	-	154,000
Franciscan Health System-Children's Immunization	46,000	38,000	29,400	24,000	-	-	137,400
Pierce County AIDS Foundation-Case Management	25,000	27,000	24,000	22,500	18,000	20,000	136,500
Pierce College-Lakewood Computer Playhouse	-	40,000	40,000	28,000	28,000	-	136,000
LASA-Outreach Program Client Center	18,500	11,500	17,000	-	45,000	37,500	129,500
LASA-Housing for Homeless Families	39,000	41,500	30,000	12,000	-	-	122,500
Caring for Kids-Ready to Learn Fair & School	27,200	44,000	20,000	20,000	10,000	-	121,200
St. Leo's Food Connection-Mobile Food Program	14,000	19,000	24,800	18,000	10,000	32,000	117,800
Rebuilding Together South Sound	-	6,200	16,000	33,500	20,000	28,000	103,700
South Sound Outreach Services	-	-	20,000	39,500	40,000	-	99,500
Lindquist Dental-Children Dental Services	-	-	20,000	21,000	29,000	28,000	98,000
Rebuilding Hope: Sexual Assault Center	20,000	-	-	18,000	30,500	28,000	96,500
Oasis Youth Center	-	26,000	16,000	12,000	14,000	25,000	93,000
Tacoma Community House-Victims Legal Advocacy	-	-	-	24,000	24,000	37,500	85,500
Communities in Schools-Champions Mentor	21,500	26,000	26,000	-	-	-	73,500



St. Leo's Food Connection-Summer Meals Program	5,000	7,000	4,000	6,000	5,100	28,000	55,100
YMCA-Teen Late Night Program	-	-	-	15,000	20,000	16,000	51,000
Korean Woman's Association-We Are Family Home	20,000	20,000	10,000	-	-	-	50,000
Tillicum Community Center-Emergency Food	28,000	20,000	-	-	-	-	48,000
Good Samaritan Hospital-Caregiver Respite &	20,000	-	19,000	-	-	-	39,000
TACID-HELP & ACCESS Programs	12,000	15,000	8,500	-	-	-	35,500
Pierce County Community Connections	-	18,000	15,000	-	-	-	33,000
WVFF (Courage 360)-Reach Plus Employment	-	-	15,000	15,000	-	-	30,000
Beecher's Foundation-Pure Food Kids Project	-	-	-	-	25,000	-	25,000
Pierce County Project Access-Donated Care	-	-	-	-	-	25,000	25,000
Metropolitan Development Council-Family Support	-	17,500	-	6,000	-	-	23,500
TPCHD-Dental Services	-	21,000	-	-	-	-	21,000
Centerforce-Community Inclusion for Adults	-	-	-	-	-	20,000	20,000
St. Leo's Food Connection-Backpack Program	-	-	5,000	6,000	4,500	-	15,500
Mary Bridge Hospital-Children's Grief & Loss	-	15,000	-	-	-	-	15,000
Community Health Care-Adult Dental Services	-	-	-	12,000	-	-	12,000
Lakewood Multicultural Coalition-Empowerment &	-	-	-	-	-	3,000	3,000
Total	\$ 773,200	\$ 768,700	\$ 681,500	\$ 700,000	\$ 704,600	\$ 723,000	\$ 4,351.00

**2. Behavioral Health Contact Team:** In February 2015, the City in partnership with Greater Lakes Mental Health created the Behavioral Health Contact Team (BHCT). This team consists of a mental health professional (MHP) and a dedicated police officer who are embedded with police patrol officers to serve as a resource for those who are homeless and/or suffering from addiction issues and/or mental or behavioral health issues.

This adopted budget includes funding for a second mental health professional (MPH) who began in July 2021 increasing the size of the BHCT to three personnel to further assist police patrol as well as support the City's Rental Housing Safety Program (RHSP) team who often encounter people in distress and in the need of assistance for a range of issues, including hoarding, isolated seniors, and renters having difficulty maintaining their property due to behavioral health issues.

Since its inception in 2015 through September 2020, the BHCT has helped **3,093** people or an average of 546 per year find needed services. Some of the individuals helped by the BHCT avoid (re)entering the tragic cycle of jail and/or the hospital time to return to the same or similar circumstances.

Year	Behavioral Health Contact Team (BHCT)		
	Calls for Service	Referrals	Connections
2015	639	66	103
2016	594	111	75
2017	545	167	199
2018	465	228	102
2019	531	188	108
2020 (mid-Sep)	319	40	66
<b>Total</b>	<b>3,093</b>	<b>800</b>	<b>653</b>
Monthly Average	45	12	10
<b>Annual Average</b>	<b>546</b>	<b>141</b>	<b>115</b>

**3. Mental Health Resource Coordinator:** For the two-year period, 2018-2019, the City applied for and was awarded a grant totaling \$82,089 from the Washington State Office of Public Defense (OPD) with a majority of the funds used to develop a pilot mental health resource coordinator position. The City was subsequently awarded another grant for 2020-2021 totaling \$74,000.



The majority of these funds were used to develop a pilot mental health resource coordinator position with the balance allocated in support of continuing education for public defenders (\$10,000), attorney-client communication and interpretative services (\$2,000), and to supplement investigative and expert services (\$10,000). The mental health resource coordinator, hired through the City's primary public defender, was available at Lakewood Municipal Court to help individuals with, or eligible for, public defense representation.

Description	Mental Health Resource Coordinator	
	2020	2021
Mental Health Resource Coordinator	\$ 26,000	\$ 26,000
Continuing Education	5,000	5,000
Interpretative Services	1,000	1,000
Investigative and Expert Services	5,000	5,000
<b>Total</b>	<b>\$ 37,000</b>	<b>\$ 37,000</b>

By providing a mental health resource coordinator, clients received a more holistic public defense and increased access to local social services. Additionally, because of this position, public defenders are able to spend more time defending their clients rather than attempting to address their pressing social service needs.

Currently, the mental health resource coordinator connects defendants with resources and provides on-site counseling. The impact of the mental health resource coordinator on the provision of their services has been incredible, with our public defender stating:

"The OPD grant has been tremendously impactful on our little operation. The grant has allowed us to expand our level of client support and really become a full service public defense team... [Mental Health resource coordinator] has developed relationships with [social service] agencies to help move clients through the agencies, when they may not have been a priority without her help. These relationships have also helped our clients get more affordable resources. All of this is so important because our clients "life issues" are such an impediment satisfying their court obligations and an accelerant for future criminal behavior... We also use the social service position to aid the clients with satisfying their sentencing conditions. The public defenders have also specifically used [the Mental Health resource coordinator] at pretrial and review hearings."

**4. Veteran's Treatment Court:** Veteran's Treatment Court is a therapeutic court serving the cities of Lakewood, Steilacoom and DuPont that is for anyone who served in the armed forces with an open criminal charge and a nexus to a service-connected disability. Veteran's also have to meet the requirements of eligibility as a candidate per RCW 2.30.030. Having this therapeutic option available is important to the community and in helping meet the needs of local veterans. This optional program is a collaboration of multiple agencies, including:

- Lakewood Municipal Court
- The Veteran's Administration (VA)
- Defense Counsel
- The Lakewood Prosecutor's Office
- Probation



Many other community partners are also active. Working together these agencies established a viable option for a select group of justice-involved veterans whose needs are better met through treatment intervention rather than incarceration. Veteran's Treatment Court is a program that requires participants to live clean and sober while attending treatment and court regularly.

The mission of Veteran's Treatment Court is to work collaboratively with community partners and resources to help veterans reintegrate into our community more effectively by connecting them with the services they have earned.

Veteran's courts, like the Veteran's Treatment Court, have been shown to reduce recidivism and help participants make lifestyle changes that have a lasting impact on more than just the veteran. Through the program, participants are required to do volunteer work within the community. By doing volunteer work, veteran participants make community connections they may not otherwise make, and those connections help build a bond between the veteran participant and the community.

In 2018, Lakewood Veteran's Treatment Court was awarded a \$550,000 grant from U.S. Department of Justice Office of Justice Programs Bureau of Justice Assistance for 2019 to 2022 (\$137,500 per year). The grant is being used to enhance Lakewood Veterans Treatment Court services. These funds are being used for Veteran's Treatment Court personnel training, including attendance at the National Association of Drug Court Professional and Justice for Vets conference, drug and alcohol tests (UAs), treatment costs for veteran court participants unable to receive treatment from the Department of Veterans Affairs, and transportation costs.

In 2019, Lakewood Veteran's Treatment Court had 9 program participants and 5 graduates. Through the second quarter of 2020, it has had 7 participants and 2 graduates. With the grant funds, the Veteran's Treatment Court can now accept up to 66 participants for the four-year grant period."

**5. Living Access Support Alliance Expansion:** The City is working with Living Access Support Alliance (LASA) to expand their facility, which opened in 2015. LASA is a local nonprofit that provides emergency housing, rapid rehousing and transitional housing in Lakewood, in addition to case management, and a range of other services to prevent homelessness.

Demand for LASA's services surpasses their current capacity and is only expected to intensify due to the continuation of the COVID-19 pandemic. The City has provided funding to LASA as part of its 1% general fund allocation to human services and funding totaling \$1.0 million for capital facility development. In addition, the City provided LASA a total of \$426,390 to help local residents in need with rental-housing and utility assistance during the COVID-19 pandemic.

The City is working with LASA to acquire additional property to expand their existing facilities as well as helping LASA develop a long range social services plan to help meet community needs. This budget proposal commits \$150,000 in 2020 and up to \$300,000 in 2021/2022 for a total of \$450,000 to help LASA expand. The City is also requesting \$500,000 from the state capital budget for LASA to accelerate this project and expand needed services in Lakewood.

**6. Habitat for Humanity Partnership:** The City continues to partner with Habitat for Humanity to build low-income housing in Lakewood that includes financial support from the City's Community Development Block Grant (CDBG) and HOME Investment Partnerships Program funds. Between 2001 and 2019, Habitat for Humanity has constructed 41 new homes for low income families in



the Tillicum neighborhood.

This adopted budget includes allocating HOME funds totaling \$715,000 in the form of a development subsidy to provide down payment assistance to nine (9) low-income homebuyers to construct an additional nine new homes (four duplexes and a single-family home) dedicated for low-income families that will bring the total to 50 new homes for low-income families.

**7. CDBG and HOME Programs:** The City is part of the Continuum of Care with Pierce County and the city of Tacoma to qualify for Federal and Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) dollars. Both are federal assistance programs provided by the U.S. Department of Housing and Urban Development (HUD). HOME provides funds in support of affordable housing, particularly housing for low- and very low-income individuals. HOME funds have been used for Habitat for Humanity to construct low income housing units in the Tillicum neighborhood.

Until a couple of years ago, CDBG and HOME funding allocations were consistently decreasing annually. For comparison purposes, the City received CDBG funding totaling \$913,000 in 2000 and \$455,000 in 2017, a decrease of over 50% (and that does not take into account the relative value of money).

However, the Lakewood City Council, in 2014, made it a federal priority to restore CDBG funding. This advocacy resulted in Congress restoring CDBG funding to 2008 levels and increased annual CDBG funds by about \$150,000 to almost \$600,000 and HOME Funds to over \$331,000 in 2020.

The City has been a CDBG entitlement City since 2000. The following table outlines Lakewood CDBG investments from 2000 through 2020. During that time, the City has invested approximately \$4.6 million to construct road improvements, add sidewalks and install street lights in a large number of low-income neighborhoods throughout Lakewood. These improvements, particularly street lights, has resulted in much safer neighborhoods. The City has also invested almost \$5.3 million in support of affordable and low-income housing such as home repairs, emergency assistance to help displaced individuals find housing, and down payment assistance.

Year	CDBG Expenditures by Investment Program					
	Infrastructure	Housing	Public Service	Economic Development	Administration	Section 108 Loan Repayment
2000	\$ 537,860	\$ 102,275	\$ 34,031	\$ -	\$ 103,618	\$ -
2001	250,287	126,612	60,023	-	153,429	-
2002	451,438	357,310	78,146	-	144,069	-
2003	399,609	350,529	76,295	-	161,200	-
2004	294,974	407,592	80,490	-	136,553	-
2005	86,156	359,033	68,336	-	130,880	-
2006	164,000	486,607	70,645	-	99,092	-
2007	-	427,346	66,380	-	96,940	-
2008	9,872	412,527	66,818	-	108,066	-
2009	20,000	433,021	64,920	-	127,986	-
2010	522,544	133,537	84,394	31,948	131,686	-
2011	185,482	268,585	86,188	-	123,854	-
2012	-	280,855	34,701	-	100,871	-
2013	284,852	301,829	3,545	13,230	98,881	-
2014	160,000	188,139	48,066	-	108,854	-



2015	320,000	85,806	-	-	98,363	-
2016	321,938	164,352	-	-	106,968	-
2017	266,003	89,040	-	-	96,106	49,311
2018	300,000	210,376	-	-	102,580	49,813
2019	-	73,386	-	-	33,292	384
Total	\$ 4,575,014	\$ 5,258,755	\$ 922,978	\$ 45,178	\$ 2,263,288	\$ 99,508

In June 2020, the Lakewood City Council adopted the 2020-2025 5-Year Consolidated Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) Programs. The policy direction for the investment of these funds has focused on:

- Assisting low and moderate income homeowners maintain their homes through the City's Major Home Repair Program (195 residences);
- Providing down payment assistance loans (69 residences);
- Loans for Public Works Trust fund projects (21);
- Providing emergency and permanent housing assistance for low income families displaced through no fault of their own;
- Providing assistance to low income households to help them afford the housing costs of market-rate units through a newly created Tenant-Based Rental Assistance (TBRA) program; and
- Funds to support the acquisition, construction and/or rehabilitation of affordable housing for low-income rentals and/or to facilitate new homeownership opportunities to include a down payment assistance program (e.g., Habitat for Humanity).

This adopted budget incorporates this policy direction as outlined in the adopted 2020-2025 5-Year Consolidated Plan CDBG and HOME Programs.

**8. Affordable Housing Sales Tax Credit Program:** In March 2020, the Lakewood City Council adopted an ordinance authorizing a sales and use tax credit for affordable and supportive housing in accordance with SHB 1406 (codified as RCW 82.14.540) that was approved by the State Legislature in 2019. Beginning later this year (2020), the City will receive an estimated \$97,571 per year for twenty years totaling an estimated \$1,951,417. The direction from the Lakewood City Council, which is incorporated into this budget proposal, is to use the funds in conjunction with the City's CDBG Major Home Repair Program, CDBG Major Home Repair and Sewer Loan Program, and HOME Housing Rehabilitation Loan Program given that there is a high demand for home repair and rehabilitation loans in the City.

**9. Rental Housing Safety Program:** The health, livability, and prosperity of the City as a whole is deeply rooted in the collective spirit of the City's residents. As the Lakewood community continues to grow, the City seeks to ensure a more successful future for all of its residents. One of Lakewood's most pressing community development goals is to proactively achieve a greater quality of life for residents by ensuring healthy, accessible, sustainable, and responsible environments.

Out of the 27,053 total housing units within the city, Lakewood has approximately 14,447 rental properties. While much of rental housing in Lakewood meets basic life and safety standards, *the troubling fact is: some do not*. Substandard housing disproportionately affects poor and working class families, seniors, and people who already suffer from chronic illnesses. These are some of the City's most vulnerable of residents. The Rental Housing Safety Program (RHSP) aims to reduce, and eventually eliminate, all substandard rental housing in Lakewood and by doing so, improve the lives of all of the



City's residents.

The City began the implementation of a RHSP in late 2017. This proactive program is designed to ensure that all rental housing units comply with specific life and safety standards and are providing a safe place for tenants to reside.

The program, which is part of this adopted budget, ensures that Lakewood's rental housing stock is maintained and that residents live in healthy conditions. The program also protects vulnerable tenants. Some tenants may be afraid to complain about their housing for fear of increased rent or landlord retaliation such as eviction. There may also be language barriers and disability-related issues. As a result, the housing inhabited by vulnerable populations is often the most likely to fall through the cracks of a complaint-based code enforcement system.

By addressing housing conditions proactively through the RHSP, and quickly identifying and addressing substandard conditions and code violations, this program is preserving Lakewood's existing housing stock versus the gentrification that is occurring in Seattle and elsewhere in the Puget Sound region. Lakewood has more rental housing units than similarly-sized suburban cities. In addition, much of the rental housing stock is at an age that requires life cycle investments. The RHSP has identified that there are many rental units (not all) that are in need of maintenance.

The list of registered properties and units in the following table is based on data as of September 14, 2020. The number of registered units and inspections are lower in 2020 as a result of COVID-19, and the limitation on property inspections. It is estimated that the total number of registered properties will increase by the end of 2020 with corresponding increases in registered units, although 2020 numbers are likely to be less than in 2019.

Description	Rental Housing Safety Program (RHSP)		
	Oct 2017 to Dec 2018	2019	2020
Rental Properties			
Registered properties	2,218	2,219	1,647
Initially failed properties	435	423	76
Failure percentage	20%	19%	5%
Rental Apartment Units			
Registered units	11,322	11,328	9,333
Initially failed units	1,361	1,009	191
Failure percentage	12%	9%	2%

To date, the implementation of this program has proven to be very successful and has exceeded expectations in its first three years of being operational. The results show that the quality of the rental housing stock in Lakewood is improving. Even with reduced registrations and inspections in 2020, the City is beginning to see a substantial decline in failed properties and rental units. The number of failed properties in 2017/18 was 20 percent, in 2019, it was 19 percent, and in 2020, it was five (5) percent.

This program was recognized by the Tacoma-Pierce County Health Department with a Healthy Communities Award in 2018 as well as by the Association of Washington Cities (AWC) with a Municipal Excellence Award in 2019.

**10. Affordable Housing Initiative (2060) and Homeless Housing Act (2163) Programs: The**



City works collaboratively with Pierce County to allocate State 2060 and 2163 funds, which support affordable housing and homelessness programs.

Both programs are administered through interlocal agreements (ILA) between Pierce County and its cities and towns, including Lakewood. These funds, which are collected countywide are distributed by an oversight committee composed of members from the cities of Tacoma and Lakewood, Pierce County and other city and town representatives.

Current rules require that 50% of the funds, which totals a combined \$10.8 million in 2020, be issued directly to Pierce County; the remaining 50% goes to urban areas, with the majority being distributed each year to the city of Tacoma. In accordance with the interlocal agreements, 16% of the funding is dedicated to the operations and maintenance of eligible homeless shelters. Also, both programs are subject to the review committee and steering committee process.

This budget proposal recommends that the Community and Economic Development Department's Housing Division work proactively with eligible agencies, Living Access Support Alliance (LASA), Emergency Food Network (EFN), and other Pierce County non-profits to apply for and secure 2060 and 2163 funds for Lakewood projects. If successful, these monies would support affordable housing, homelessness, and related social service programs.

The 2060 program was created by the State Legislature in 2002 via SHB 2060 (codified as RCW 36.22.178) an Affordable Housing Initiative that requires the Pierce County Auditor to collect a surcharge on certain recorded documents countywide, including within Lakewood. The funds generated from the document recording fee provide affordable housing opportunities for Pierce County's very low-income (50% of median per HUD) households in a manner that is consistent with the RCW, and countywide affordable housing needs and policies. In 2018, state legislation increased the document recording surcharge from \$10 to \$13. The annual budget totals approximately \$3.0 million.

The 2163 program was created by the State Legislature in 2005, the Homeless Housing Act via SHB 2163 (codified as RCW 36.22.179). The program is also funded with a surcharge on certain recorded documents countywide to include Lakewood, again collected by the Pierce County Auditor. The surcharge revenue must be used for planning, housing, and supportive services related to homelessness. In 2018, the State Legislature passed HB 1570, which increased the surcharge from \$40 to \$62 and made the surcharge permanent.

Eligible activities for this program can include rental and furnishing of dwelling units for the use of homeless persons; costs of developing affordable housing for homeless persons; services for formerly homeless individuals and families; operating subsidies for transitional housing or permanent housing serving formerly homeless families or individuals; services to prevent homelessness; temporary services to assist persons leaving state institutions and other state programs to prevent them from becoming or remaining homeless; outreach services for homeless individuals and families; and, the development and management of local homeless plans, including homeless census data collection, identification of goals, performance measures, strategies, costs, and evaluation of progress towards established goals. Funds are awarded to projects annually through a competitive Notice of Fund Availability (NOFA) process. The annual budget totals about \$7.8 million.

**11. Lakewood Low Income and Subsidized Housing:** The City provides low-income and subsidized housing opportunities through a variety of federal, state, and Pierce County sponsored



programs. In total, Lakewood provides extremely low-income, very low-income, and low-income housing for over 57 percent of all housing units. These high numbers of cost-burdened households reflect the fact housing is expensive in western Washington, and very few rental units are available at rent levels that are affordable for the lowest income households.

Even with a tight housing market, Lakewood has numerous low-income options.

- 26 mobile home parks comprising 1,451 manufactured units and trailers.
- Habitat for Humanity programs which to-date have built 41 low-income residences in Tillicum.
- Living Access Support Alliance (LASA) provides housing to 15 families in Lakewood.
- Pierce County Housing Authority (PCHA) operates and manages four multifamily apartments totaling 269 units.
- PCHA further offers a housing choice voucher program county-wide. On average, Section 8 Housing Choice vouchers pay Lakewood landlords \$800 per month towards rent. The average voucher holder contributes \$400 towards rent in Lakewood. The maximum amount a voucher would pay on behalf of a low-income tenant in Lakewood, Washington, for a two-bedroom apartment is between \$1,267 and \$1,549. There are 2,749 vouchers, and of this amount, about 550 are applied to rents in Lakewood.
- A variety of agencies and private property owners operate subsidized low-income properties comprising 671 units.

Combined with mobile home parks, subsidized housing totals 2,997 housing units, or about 11 percent of Lakewood's total housing stock.

**12. Housing Policies:** The Lakewood City Council has prioritized both economic development and housing development to create a city identity and to provide needed “missing middle” housing for current and future residents. Basically, missing middle housing includes many housing types, such as duplexes, fourplexes, cottage courts, and courtyard buildings that provide diverse and more affordable housing options supporting locally-serving retail and public transportation options.



In late 2018, the Lakewood City Council adopted the Lakewood Downtown Plan and accompanying development code and SEPA Planned Action, all of which were focused on solidifying a clear Downtown while encouraging well-designed, higher density housing and mixed use development that could take advantage of transit options within and near to the Downtown. The Planned Action provides a way by which development review is streamlined since individual projects consistent with the subarea plan do



not have to undergo a SEPA analysis. The Lakewood Downtown Plan envisions 2,257 new housing units within the subarea plan boundaries by 2040.

Lakewood has also adopted updated Accessory Dwelling Unit (ADU) policies and development code requirements that provide for the easier creation of more attached and detached ADUs associated with a single-family housing unit, duplex, triplex, townhome, or other housing unit in multiple city zones, including R1-R4, MR1 & MR 2, MF1 & MF2, and TOC.

In 2020, the City worked with stakeholders and residents to draft a Lakewood Station District Subarea Plan, Development Code and SEPA Planned Action, which are scheduled for adoption in spring 2021. The Lakewood Station District is a multi-modal commuter hub and offers a mixture of intensive land uses and activities supportive of direct regional transportation access via the Lakewood Station, a Sound Transit facility, and I-5. The District Subarea Plan implements development standards to foster a high quality, pedestrian-oriented urban environment including incentives to encourage dense mix of commercial and medical office, regional and local retail, services and hospitality, and high-density residential uses offering ownership and rental housing opportunities, all supported by direct regional transportation access.

Residential densities would be up to 40 units per acres in the residential zone (MF3) and up to 54 units per acre in the mixed use zone (TOC). Residential development will target housing serving households at 65% to 110% of the area median income. Rowhouse residential development allows for compact residential development at an affordable price point. Ground-related units provide private and semiprivate outdoor space and the opportunity for zero-lot line platted development. This type of development provides homeownership opportunities and the chance to build wealth and equity for moderate income households in the subarea.

**13. Cohen Veterans Network:** The City in partnership with South Sound Military and Communities Partnership (SSMCP) and others worked with the Cohen Veterans Network who opened a clinic in Lakewood in March 2019 to serve the South Puget Sound region. This clinic is located at 6103 Mt Tacoma Drive. The Cohen Veterans Network is a private foundation established to provide veterans and their family members with free accessible mental health care in select cities across the country.

**14. SSMCP Housing Study:** The City has also been partnering with South Sound Military and Communities Partnership (SSMCP) in developing a Housing Study to improve the affordable housing options for service members and their families, which balances JBLM mission readiness goals with local community goals by:

- Identifying and addressing opportunities and barriers to adequate off-installation housing affordable to the E1 to E5 service member;
- Identifying and addressing mutually acceptable community strategies to increase housing supply;
- Identifying incentives for landlords to consider service member housing needs; and
- Providing resource tools to assist these service members in locating affordable, quality housing.

A key challenge faced by service members and their families is finding available housing within a 30-minute drive given the structural supply limitations. The Housing Study has identified a number of recommendations that are currently underway for consideration and implementation in the upcoming biennium as part of SSMCP's work plan, including: expanding the military's rental partnership program (RPP); a collaboration between local real estate agencies and JBLM public affairs to share housing



resources; advocate for housing legislation at both the state and federal levels of government; develop model comprehensive housing goals and policies for cities and counties; and incentivize and remove impediments for development of additional housing.

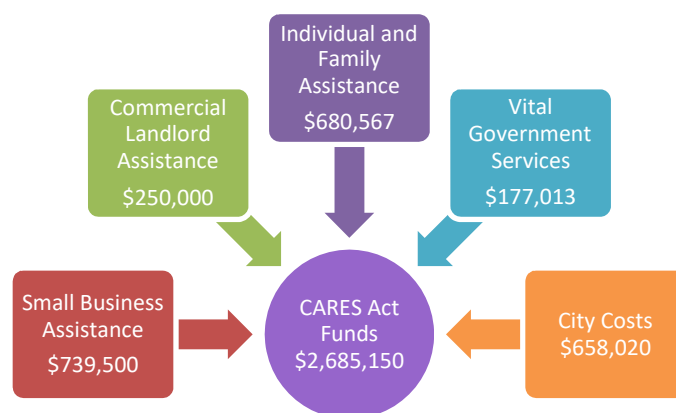
**15. Coronavirus Aid, Relief, and Economic Security (CARES) Act:** Following the declarations of emergency due to the COVID-19 pandemic, federal funds were made available to states and cities of a certain size under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). In May 2020, Governor Inslee announced that Washington would award \$300 million of the state’s CARES funding to local governments that did not receive direct distributions under the CARES Act. On August 31, 2020, the Governor announced an increase of \$125 million awarded to local governments for a total of \$420 million. Lakewood was awarded \$1,790,100 of CARES Act funds in May 2020 and an additional \$895,050 in August 2020, for a total of \$2,685,150.

For the first round of funding, the Lakewood City Council directed that eighty percent (80%) of the funds be allocated through grant programs to assist with:

- Individual and family economic resilience (including rental assistance and child care service provider assistance); and
- Small business assistance (including both for-profit and non-profit businesses); and
- The remaining twenty percent (20%) of first round funds were allocated to:
  - Vital Government Services including public partners such as the fire district, public library system, and food banks as well as personal protective equipment (PPE), facilities improvements and information technology costs.

The Lakewood City Council subsequently directed that most of the second round of funds be allocated to a new commercial landlord assistance grant program as well as additional funding to small business assistance and child care service provider assistance grants. In addition, a small portion of the funds were allocated to cover some of the City’s COVID-19 response costs.

The City’s CARES Act grant programs were widely advertised and administered in multiple languages to ensure that Lakewood’s businesses and resident could access them.



\*\$180,050 in CARES Act funding held in reserve until mid-November 2020 in order to identify and allocate to external needs, or if none, then for use in support of City COVID-19 response costs.

In April 2020, a special allocation of Community Development Block Grant COVID-19 (CDBG-CV) funds



was awarded to the City totaling \$350,611. In May, the Lakewood City Council designed these funds to finance a Small Business Emergency Services Program by providing zero-interest, deferred (forgivable) loans up to \$10,000 to Lakewood businesses with 10 or fewer employees. The Lakewood City Council changed the program to a grant program in August. In September, the City was awarded an additional \$456,726.

Over the City's relatively short history, it has taken important steps to address longstanding human service needs within the community. Significant investments in social services, housing, and infrastructure have already occurred. However, with over 17 percent of the population living below the poverty line, these kinds of investments will need to continue for years to come. The challenges are many. Lakewood will need to concentrate its efforts on increasing employment opportunities, sustaining, not cutting social services and basic safety nets, improving infrastructure including housing, and tackling concentrated poverty in some of Lakewood's neighborhoods. This commitment will continue and be amplified as part of the 2021-2022 biennium to include the addition of new human services initiatives.

#### **16. American Rescue Plan Act of 2021**

On May 10th, 2021, the U.S. Department of the Treasury announced the American Rescue Plan Act (ARPA) of 2021. ARPA provides \$350 billion in emergency Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for eligible state, local, territorial, and tribal governments to respond to the COVID-19 emergency. The City of Lakewood was awarded \$13,766,236. The ARPA funding received must be committed to projects by Dec. 31st, 2024 and the funds must be exhausted by Dec. 31st, 2026.

In Summer and Fall of 2021, the City reached out to community groups, cultural centers, members of the faith-based community, military and veteran focused groups, school districts, businesses, chambers of commerce, utility providers, and citizens. People were asked how they felt SLFRF funding could be spent to help Lakewood and its citizens respond to the COVID-19 emergency.

As of March 12, 2022, the City of Lakewood has allocated \$7,165,711 of ARPA funding to approved 3<sup>rd</sup> party organization or City projects.

Lakewood contributed \$1,000,000 to the purchase of a former hotel now known as Aspen Court for use as an enhanced services shelter with individuals staying an average of 3-6 months while receiving social and human services and assistance. Lakewood has 12 rooms reserved for its persons' use.

Aspen Court will be operated as an emergency shelter providing overnight beds until 2024. It will then be converted to long-term supportive housing to be operated no less than 40 years.



# Total ARPA Funds Expenditures Through February 15th, 2022.

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**How has Lakewood allocated its ARPA funds  
so far?**

