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- » Build and preserve the stock of affordable housing available.
- » Strengthen partnerships with the private sector to increase the availability of housing.
- » Create targeted housing for specific populations such as homeless youth and people discharging from our state psychiatric hospitals.

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## A COMPREHENSIVE APPROACH TO COMBATING HOMELESSNESS

*Gov. Inslee believes every Washingtonian should grow and thrive as a valued, productive citizen. To do that, people need a safe and stable place to live. Today, that is not the case for some 20,000 people. While the most visible manifestation of this crisis is often the single adults who find themselves chronically without shelter, homelessness is a problem that affects children and families, too. While the root causes of homelessness are varied and complex, the solution must start with making sure affordable housing is available.*

### Background

Over the past 10 years, the number of homeless individuals has remained unacceptably high, despite many efforts at the state and community level to get people into housing. The state Department of Commerce conducts a [point-in-time count](#) every decade, which measures homelessness on a particular day. The count established a baseline in 2006 and when it was repeated in 2016, the number of homeless people had decreased slightly, from 22,000 to 20,000.



Photo courtesy of Department of Commerce

However, homelessness varies greatly across the state. The number of homeless individuals declined in 26 counties over the past decade — in fact, a reduction of 50 percent or more occurred in 12 counties. Yet unsheltered homelessness in both urban and rural counties has been increasing elsewhere in recent years, with more people experiencing significant housing barriers, such as substance use disorders and persistent mental health issues. While overall homeless numbers have dipped slightly, the issue is perhaps more visible today than it has ever been, with homeless people sleeping on sidewalks, camping near roadways or holding signs asking for donations.

We can look to the economy for insight into these issues. The number of homeless people grew steadily during the Great Recession of 2007–09, when wage growth was stagnant and long-term unemployment swelled. It was hard for struggling families to find jobs, especially well-paying jobs, and even more difficult to find affordable housing.

As Washington recovered from the recession, our state’s economy grew at a faster pace than the national average. Our growing economy, however, has increased the difficulty of finding affordable housing. Importantly, however, while wage growth here is a full percentage point above the national average, the growth hasn’t benefited everyone. In fact, wages for the lowest-paying jobs are flat.

Flat wages for lower-income earners have been compounded by the fact that rents have grown at a startlingly fast rate. This problem is not limited to just the Seattle-Bellevue-Everett market, where rents have grown by more than 7 percent annually. Last year, Tacoma experienced rent growth of more than 8 percent. The Runstad Center for Real

Estate Studies estimates that monthly rents statewide increased by \$117 between 2015 and 2016.

With wages stagnating and rents rising, we’ve seen a significant rise in the number of households that are “cost burdened,” meaning the household spends more than 30 percent of its income on housing expenses. In essence, many individuals and families are one car accident or one medical emergency away from not being able to pay the rent and ending up on the street.

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### New investments for building more homes

At its most basic level, homelessness must be addressed by building more homes. The governor proposes investing \$91.0 million in the Housing Trust Fund for loans and competitive grants for creating affordable housing and mental health treatment beds. To deliver related services, the operating budget includes \$20.0 million to serve more chronically homeless adults, families with children and unaccompanied youth, and \$13.0 million in additional investments for targeted, priority populations. Youth homelessness has been a particular focus for both Gov. Inslee and Trudi Inslee since he first took office and gained legislative support for solving this issue.

Preserving existing housing is the quickest and most cost-effective way to assure that we have more affordable places for people to live. The governor's budget invests \$10.0 million in funds to be awarded on a competitive basis for major building improvements, preservation work and system replacements, such as heating or electrical. In addition to preserving housing, more revenue would come from removing the expiration clause in state law for the document recording fee, the single largest source of funds for local jurisdictions to serve homeless populations.

To quickly build more capacity, we must also capitalize on innovative ideas to cut the costs of adding affordable housing. We will expand the regulatory road map initiative in the Department of Commerce to make it easier for the construction industry to understand and adhere to regulations. We will provide funding specifically for the remediation of contaminated land so it can be safely used for siting affordable housing.

### Partnerships with the private sector

While recognizing the need to invest heavily in new construction, the governor knows the state cannot build its way out of the problem. We must also strengthen partnerships with private sector landlords. To this end, the Department of Commerce will create a statewide landlord liaison program to promote better communication between landlords and housing case managers. We will also advocate for a statewide prohibition on denying tenancy based solely on an applicant's source of income.

### Creating targeted interventions

Many people we see living without shelter have chronic mental health issues or substance use disorders. As part of Gov. Inslee's behavioral health reform efforts, the state will invest \$8.2 million in 214

new shared supportive housing beds for individuals who are exiting mental health hospitals and 106 new, specialized, highly structured mental health treatment beds for the hardest-to-serve clients, including those who are chronically homeless.

The governor will also invest \$2.8 million in 100 case-managed housing beds to divert individuals from a behavioral health facility or jail. To connect unsheltered people with chronic mental health and substance abuse issues with services, the state will invest \$1.7 million for peer-to-peer street outreach efforts.

Washington has secured a waiver from the Centers for Medicare & Medicaid Services to allow Medicaid reimbursement for case management services for stable housing solutions for chronically homeless individuals. We will also continue to provide technical assistance to jurisdictions to better integrate housing assistance with supportive services such as substance use disorder or mental health treatment.