

# Preventing homelessness from growing worse during COVID-19 pandemic

As in many states, unsheltered homelessness was already on the rise in Washington before the COVID-19 pandemic hit earlier this year. After a one-year decline in 2019, the number of unsheltered homeless individuals increased about 13% to nearly 11,000 in 2020.

The pandemic has intensified the state's homelessness crisis. It has created greater financial insecurity for the estimated 250,000 households that were already struggling to pay their rent. Over half of those households are considered "severely rent burdened," which means they pay more than half of their monthly income in rent. Similarly, the pandemic-fueled recession is making it harder for many homeowners to meet their mortgages.

As of November, more than 85,000 households reported that they were likely or very likely to experience evictions or foreclosure in the next two months.

Last spring, Gov. Jay Inslee issued a proclamation that placed a temporary moratorium on evicting renters for nonpayment of rent. The moratorium, which Inslee extended through Dec. 31, has been instrumental in keeping people housed during the pandemic.

But, to prevent future evictions, many of these households will need assistance to catch up on past-due rent bills and keep current on their rent payments.

Providing rental assistance is part of a comprehensive plan the governor is putting forward to combat homelessness in our state.

The governor's plan aims to:

- Keep individuals from falling into homelessness by preventing evictions and foreclosure, and by mitigating efforts to ease shelter crowding.
- Preserve the existing stock of affordable housing units.
- Continue to build upon recent housing and homelessness investments.

## Prevent individuals from falling into homelessness

### Rental assistance

After the governor issued the evictions moratorium, the state began using federal CARES Act funds to provide rent assistance that helped both tenants and landlords. In all, the state allocated \$120 million of its federal relief funds to help thousands of Washingtonians stay in their homes.

When the moratorium on evictions is eventually lifted, renters will still owe several months in unpaid rent, and experts are predicting mass evictions of low-income households if more assistance is not provided.

A recent [University of Washington study](#) found that, in the state's two most populous counties,

eviction rates for black and Latinx adults are significantly higher than for white adults. A robust rent assistance program that emphasizes outreach to economically marginalized households is essential to reducing evictions, and in ensuring racial and gender equity in our fight against homelessness.

With federal CARES Act funds running out, the governor proposes using state funds to continue rental assistance efforts during this crisis. His plan provides \$164 million for rental assistance through the end of the current biennium (June 30, 2021). His 2021–23 budget provides another \$164 million to continue

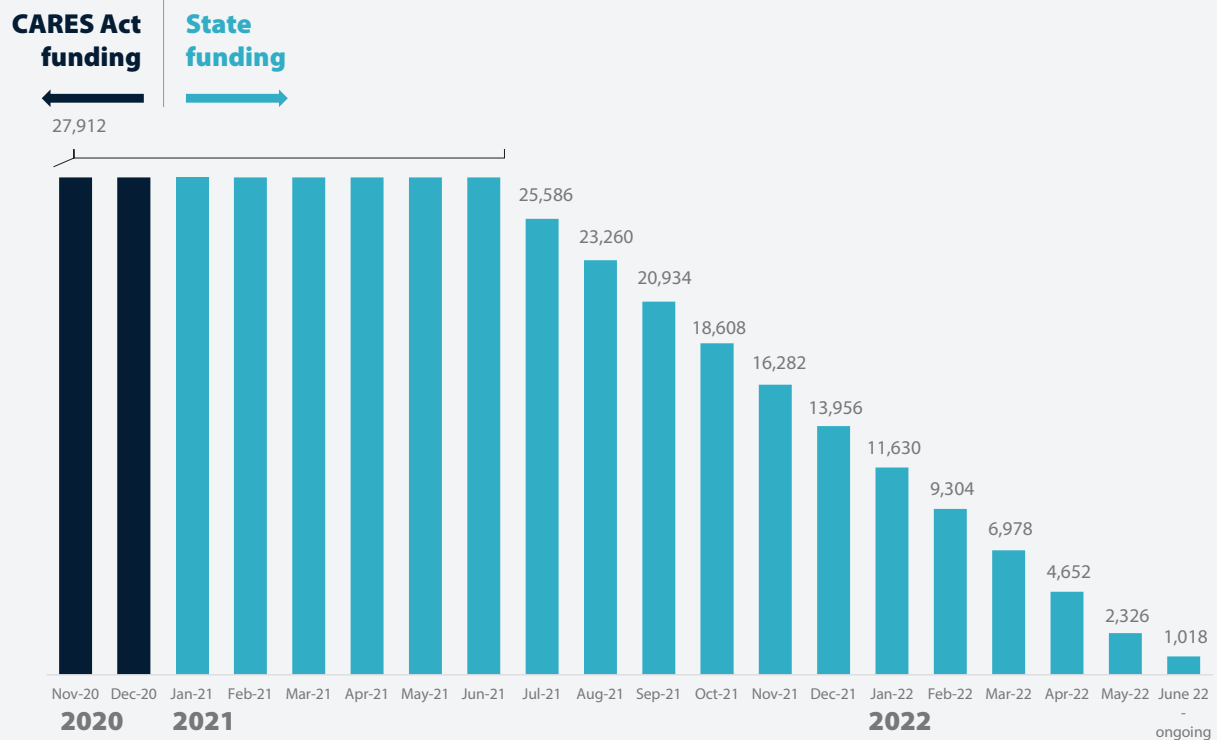
the assistance in the next biennium. The state estimates nearly 28,000 households will receive rent assistance through June 2021, with that number gradually ramping down to about 1,000 households in June 2022. (\$328 million, General Fund–State; Home Security Fund–State)

Foreclosure assistance

The CARES Act also provided much-needed mortgage payment relief for homeowners. Most standard loan agreements allow for a three-month forbearance, a temporary postponement or reduction of mortgage payments. The CARES Act allows for up to

Number of households served with rental assistance monthly

(approximate)



Source: Office of Financial Management and Department of Commerce

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two consecutive 180-day forbearance periods. As borrowers who face foreclosure come out of forbearance, they will likely be referred into the Foreclosure Fairness Program within the Department of Commerce.

The governor's operating budget includes \$17 million to adequately and equitably serve the increased number of homeowners who are expected to seek relief from foreclosure once the federal moratoriums on foreclosure and CARES Act protections expire. (\$17 million, GF-S)

### Anchor Communities

The Anchor Community Initiative is a public-private partnership between the state and the nonprofit group, A Way Home Washington. The initiative aims to reduce youth and young adult homelessness to "functional zero" (when a community has the capacity to house every homeless person) by 2022. The initiative is currently focused on four pilot counties: Pierce, Walla Walla, Spokane and Yakima. So far, the program has moved 60% of homeless youth and young adults in these areas into sheltered settings.

With assistance from A Way Home Washington, the communities form teams to develop a unique plan that covers prevention, long-term housing, treatment services, employment and educational attainment. State funding helps pay for the services to bring youth and young adults inside. These services include shelter, rent assistance and clinical behavioral health services.

The governor proposes continued funding for this program and an increased investment so the program can expand into four new anchor communities. (\$8 million, GF-S)

### Property acquisition flexible fund

Studies show that supportive housing is the gold standard for preventing the chronically homeless from returning to the streets. Some homeless individuals require a temporary accommodation to bridge the gap from homelessness to permanent housing. Lack of siting for constructing new, affordable housing is a common problem.

The governor's capital budget includes \$70 million for Housing Trust Fund-eligible entities to acquire properties such as hotels or motels at an affordable price for a quicker conversion into shelters, permanent supportive housing or transitional housing units. This funding pays for the property and building retrofit, electrical and plumbing system updates, and converting the property to a suitable housing environment without major changes. (\$70 million, bonds)

### Preserve existing stock of affordable housing units

#### Housing Trust Fund/USDA funded preservation

The state Housing Trust Fund Preservation Program provides funding for major building improvements, preservation and system replacements to help maintain long-term viability of the trust's housing portfolio. This includes multifamily housing at risk of returning to market-rate prices when use restrictions expire. The governor's capital budget includes \$30 million to preserve approximately 1,500 aging affordable housing units to keep serving low-income and vulnerable individuals and families. (\$30 million, bonds)

### Rural rehabilitation loans

Substandard housing is negatively impacting residents of rural communities in Washington. Many people, including seniors and disabled persons living in poverty, have equity in their homes but lack the financial resources to borrow against their homes to keep up with necessary maintenance. The governor's proposed investment of \$20 million would provide low-income households with low-interest home-repair loans. By first addressing needed repairs — such as fixing leaking roofs, unstable foundations or broken windows — homeowners could make their qualifying home ready for energy efficiency upgrades. This funding stabilizes housing for people at risk of losing their homes, or who live in deteriorating, unhealthy homes. It is a cost-effective alternative to building new housing. (\$20 million, bonds)

### Landlord mitigation/tenancy preservation

Washington's Landlord Mitigation Program provides landlords with an incentive and added security to work with tenants who receive rental assistance. The program offers grants of up to \$1,000 to landlords for move-in upgrades or cover up to 14 days of rent loss and reimburse up to \$5,000 for damages caused by a tenant during tenancy.

The governor's capital budget includes a \$5 million transfer to the Landlord Mitigation Account, which will help return at least 1,000 units to the market at an affordable price. (\$5 million, bonds)

## Build upon recent investments

### Housing Trust Fund

Lack of affordability and availability of housing are the leading drivers of the rise in homelessness. Washingtonians living at or below 80% of median income levels lack safe, affordable housing. The current supply of low-income housing units isn't sufficient to house low-income and vulnerable individuals and families.

The governor's capital budget includes \$220 million to build approximately 3,390 affordable and innovative housing units. These will serve a broad spectrum of vulnerable populations. This includes individuals with chronic mental illness who need supportive housing and case management services, homeless families, youth and individuals, veterans, farmworkers, seniors and individuals with special needs.

Reducing our carbon footprint is a major priority for the governor and the state. Providing affordable housing with low or no energy costs not only meets these goals, but also provides low-income tenants with sustainable and cost-effective housing. The governor's proposed investment would use innovative, nontraditional construction methods. It would also employ energy efficient housing models that use multiple construction methods, site layouts and energy modeling resulting in net-zero energy usage. This will give affordable housing developers more incentive to continue developing energy-efficient housing for low-income Washingtonians. (\$220 million, bonds)

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### Enhanced shelter

On any given night in our state, nearly 11,000 people are living outside or in places unfit for human habitation. Due to the pandemic, more than 85,000 households are likely or very likely to face eviction or foreclosure in the next two months.

Unsheltered individuals experience profound health and safety challenges compared to their sheltered counterparts. They are more likely to have contact with the police or spend nights in jail and in emergency rooms, and are more likely to die earlier. The impacts are far-reaching, too: Because people living outside lack traditional facilities such as restrooms and laundry machines, unsheltered homelessness leads to environmental impacts along roadways, city parks and other locations that homeless individuals use.

The governor's capital budget provides \$50 million to create enhanced shelters — or convert basic shelters to enhanced shelters — as an alternative setting to crowded, congregate shelters. This funding can also be used for facility improvements such as laundries, bathrooms and storage spaces. (\$50 million, bonds)

### Buildable lands and housing affordability

The lack of sufficient safe and affordable housing results not only from traditional barriers such as untreated behavioral health conditions, substance abuse disorders, domestic violence and poverty, but also from a multiyear trend of insufficient siting and construction of new, affordable housing.

The governor's capital budget includes \$10 million to expand the footprint of land where affordable housing can be built by cleaning up environmental contamination at hazardous sites. An additional \$10 million in grants to local governments will reduce the costs of developing affordable housing. This will give housing developers incentive to continue to develop affordable housing for low-income Washingtonians. (\$20 million, bonds)