Did Affordable Housing Cause the Financial Crash?

By Joshua Okrent

A common assertion by the news media, political pundits and the population at large is that the sub-prime mortgage crisis began because the federal government passed laws encouraging home-ownership. In late 2011, New York Mayor Michael Bloomberg said: “It was not the banks that created the mortgage crisis. It was, plain and simple, Congress who forced everybody to go and give mortgages to people who were on the cusp…They were the ones who pushed Fannie and Freddie to make a bunch of loans that were imprudent, if you will. They were the ones that pushed the banks to loan to everybody. And now we want to go vilify the banks because it’s one target, it’s easy to blame them and Congress certainly isn’t going to blame themselves.”

A working paper recently released by the Research Division of the Federal Reserve Bank of St. Louis completely disagrees. After years of many economists and lawmakers agreeing that affordable housing was the first domino that toppled, causing the rest to fall, the paper asserts that affordable housing did not contribute to the subprime securities boom and thus did not contribute to the crash.

The paper asks in its title: “Did Affordable Housing Legislation Contribute to the Subprime Securities Boom?”

Their first sentence of the paper reads in its entirety: “No.”

The paper continues:

“We find no evidence that lenders increased subprime originations or altered pricing around the discrete eligibility cutoffs for the Government Sponsored Enterprises’ (GSEs) affordable housing goals or the Community Reinvestment Act (CRA). Our results indicate that the extensive purchases of risky private-label mortgage-backed securities by the GSEs were not due to affordable housing mandates.”

The paper does not argue that Fannie and Freddie played no role in the crisis. Instead,
Legislator of the Year Award: Rep. Hans Dunshee

By Sharon Lee

State Representative Hans Dunshee, Democrat from the 44th District was named “Legislator of the Year” by the Washington Low Income Housing Alliance at their Bringing Washington Home Advocacy Award Reception on May 31.

In the 2012 Legislative session, the Housing Trust Fund was funded at $67 million in the state Jobs Now Act, which will help to build and preserve 1,800 units. Despite a contentious session during which capital projects were constantly under threat, Rep. Dunshee, the Chair of the House Capital Budget Committee, proposed an ingenious way to gain support from his colleagues to fund low-income housing. He obtained the pipeline list of unfunded housing projects from the Department of Commerce and put them in the appropriate categories or “buckets” under specific headings. He identified which projects would provide housing for families with children, seniors, the homeless, the developmentally disabled, the chronically mentally ill, farmworkers, and others.

By reading the list, every legislator was able to see specifically projects and sponsors in his or her district and thus gauge the overall benefit to the community. It became difficult for legislators to cut specific projects or whole categories of housing from the budget. This was a clear contrast from the way such capital projects were funded in past years, when the Housing Trust Fund was seen as “one big bucket.” In the past, without the names of projects and knowing the legislative districts that would benefit, it was easier for representatives to cut funding.

While some housing advocates were critical of having specified projects in the budget, Rep. Dunshee’s strategy is easy to defend. Simply by pointing out the value of individual housing projects, Rep. Dunshee is able to provide homes for 1,800 more households. Through his leadership, the HTF was allocated $118.9 million for the biennial budget 2011-13. This is most impressive given the recession and other state budget cuts. In addition, Rep. Dunshee was able to add $25 million for weatherization. The State Department of Commerce staff have the authority to vet each project and complete due diligence. In keeping with the state’s goal of creating jobs, only projects ready to start construction by middle of 2013 will be funded.

The Alliance made other advocacy awards to the Washington State Labor Council, Patricia Ridge and the Salvation Army, and Spokane Regional Services. For information on these and other awards to outstanding Washington state leaders please contact the Washington Low Income Housing Alliance at www.wliha.org.

“THE LEGISLATIVE SESSION STARTED WITH A TINY CAPITAL BUDGET THAT DID NOT INCLUDE AN ALLOCATION FOR THE HOUSING TRUST FUND, BUT BECAUSE OF THE SKILLFUL AND DETERMINED WORK OF REPRESENTATIVE HANS DUNSHEE, THE SESSION ENDED WITH MORE THAN $67 MILLION TO CREATE OR PRESERVE MORE THAN 1,800 HOMES FOR LOW-INCOME HOUSEHOLDS.”

WASHINGTON LOW INCOME HOUSING ALLIANCE
it narrowly argues that passing laws such as the Community Reinvestment Act did not impact how Fannie and Freddie operated.

The authors of the paper, Andra C. Ghent, Rubén Hernández-Murillo, and Michael T. Owyang, surveyed two main policies: The Community Reinvestment Act of 1977, a law that encouraged loans to low-income communities and individuals, and federal mandates given to Fannie and Freddie which set targets for loans to low-income and minority populations. Their analysis used data from California and Florida during the height of the boom, from 2004 to 2006. To determine the impact of these policies, the authors defined three ways in which they could have contributed to the subprime securities boom: They could have led to more loan originations for targeted low-income and historically underserved groups; they could have lowered loan prices for the targeted groups; and they could have relaxed loan standards for the targeted groups. In their analysis, the authors found no evidence that the affordable housing goals of the CRA or of the GSEs affected any of these outcome measures.

The authors’ conclusion seems to warrant a major reconsideration of one of the most prominent arguments about the origins of the financial crisis. They continue, “While it is unquestionable that Fannie Mae and Freddie Mac held substantial amounts of subprime mortgages, and that their holdings of these securities played a significant role in their demise, the evidence in this paper refutes the claim that the affordable housing mandates were responsible for the risk-taking behavior of these two institutions.”

*The full paper is available online at [http://research.stlouisfed.org/wp/2012/2012-005.pdf](http://research.stlouisfed.org/wp/2012/2012-005.pdf)*
Seattle Announces Zoning Proposal for South Lake Union

At the end of June, the City of Seattle announced recommendations to create jobs, build new housing, and bring new public benefits to the community through a rezone of the South Lake Union neighborhood. If adopted, this new zoning will help bring 12,000 new households and 22,000 jobs to South Lake Union. Public benefits of the proposal include up to $27.7 million to fund local street and park improvements, preservation of 25,000 acres of regional farms and forests through regional transfer of development rights, and up to $45 million for affordable housing and other community benefits.

“Seattle’s economy is recovering faster than many other cities in large part because of growth in South Lake Union,” said Mayor Mike McGinn. “Many companies in our growing technology and public health sectors want to be in South Lake Union. This proposal will help that growth continue in ways that bring significant public benefits. Along with new jobs and new homes, we can build a mixed use community that leverages growth to create affordable housing and finance the improvements needed to streets and public spaces.”

The recommendations are rooted in the vision behind Seattle’s Comprehensive Plan and South Lake Union’s Neighborhood Plan. Specific provisions of the zoning proposal include:

• Linking increased building height and floor area to expanding the City’s incentive zoning program, creating opportunities for new affordable housing and funding for infrastructure;
• Preserving the established scale and character of the Cascade Neighborhood, one of Seattle’s oldest, and creating a new residential community along Eighth Avenue just north of Denny Park;
• Establishing new development standards to ensure towers are well-spaced and designed to preserve openness to the sky and public views through the neighborhood;
• Strengthening incentives to preserve landmark properties and existing open spaces;
• Creating an incentive to encourage locating a new public school to serve the Center City’s growing population.

The City is also proposing several additional elements that increase public benefits from the rezone:

• Financing local infrastructure and preserving regional farmlands. The proposal would establish a program for South Lake Union and Downtown to fund local improvements by establishing an incentive zoning program that supports conservation of farm and forest land. This would be funded from a portion of future county property tax revenue generated from new development under legislation recently adopted by the state.

Under this program, a portion of extra floor area would be gained by purchasing development rights from regional farms and forests. In exchange, King County will give the City a portion of future property taxes generated on the value of new development to fund local infrastructure improvements.

This program is anticipated to generate up to $27.7 million in additional infrastructure funding and support the preservation of 25,000 acres of regional farms and forests. The City will work with the South Lake Union and Downtown communities to determine the priorities for use of these new funds in the coming months.

In addition, King County has tentatively agreed that the proceeds from their regional conservation program will be reinvested in

continued on next page
preserving working farms that directly support Seattle’s groceries and farmer’s markets. This provides a critical new tool in preserving the farms that make up Seattle’s “foodshed” and keep our region sustainable.

- **Linking public benefits to height.**
  The City has reached a tentative agreement with Vulcan to make a large property in South Lake Union available to the City for affordable housing and public programming, as well as a direct cash investment, as part of an incentive zoning package for blocks near the park. This package in total would result in substantially more funding than the City would otherwise receive through incentive zoning, in addition to the provision of a large site upfront. Without this agreement, these public benefits would not be realized. Department of Planning and Development staff will present more details on this to the City Council in the coming weeks.

  “Seattle and King County’s leadership will demonstrate the great potential of the Landscape Conservation and Local Infrastructure Program,” said Gene Duvernoy, Forterra president. “This unprecedented program provides the opportunity to create a more livable community in South Lake Union while also protecting tens of thousands of acres of resource lands across the region.”

  “As a nonprofit organization, it has been extremely difficult to purchase land to meet South Lake Union’s affordable housing needs,” said Sharon Lee, Executive Director of the Low Income Housing Institute. “We are thrilled at the opportunity the upzone package presents for low-income non-profit organizations like ours. It is a huge benefit to the citizens of Seattle.”

  For more information please visit www.seattle.gov.

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**First National Housing First Conference**

By Daniel Malone

The first national Housing First conference, held in New Orleans March 21-23, provided an eagerly anticipated forum for advancing the dialogue around Housing First increasingly being adopted as a central element in ending homelessness plans all over the country and world. The Housing First approach focuses on meeting a person’s or family’s basics needs such as housing, accompanied by services designed to help them retain housing and resolve underlying problems. This is in contrast to a more conventional approach whereby the person needs to stabilize clinically before being eligible for permanent housing. Demand to attend the conference far exceeded initial expectations. Dozens were turned away after registration was capped at just over 600 due to space limitations.

Washington state played a central role in the conference, which was co-presented by Seattle’s Downtown Emergency Service Center (DESC) working in partnership with New York-based Pathways to Housing. Washington providers, policy makers, researchers, users of homeless services, and others comprised more than ten percent of conference attendees and presenters, representing wide areas of the state beyond Seattle, including Tacoma, Bellingham, Spokane, Vancouver, and Wenatchee.

The content was robust and varied, with more than 110 discrete presentations made in the breakout and plenary sessions, covering the full range of topics relevant to Housing First practice. Senior officials from HUD, VA, and HHS, as well as the Director of the president’s Interagency Council on Homelessness, were in attendance and made policy presentations.

Other topics focused on Housing First operational and service delivery issues, research methods and results, special populations such as veterans, families, people involved in the criminal justice system and people with substance use disorders, and Housing First program development and implementation.

In many ways, the conference signaled that the Housing First movement has “arrived” as a mainstream approach to serving homeless people with the greatest problems. United States Interagency Council on Homelessness (USICH) Executive Director Barbara Poppe, the keynote speaker, addressed this issue directly, encouraging participants to continue innovating rather than accepting that the model is fully developed. With this spirit in mind, DESC and Pathways to Housing are planning a second national conference for 2014.

Barbara Poppe, the Executive Director of the United States Interagency Council on Homelessness, addressed the first national Housing First conference in New Orleans. Photo courtesy of The National Alliance to End Homelessness.

Daniel Malone is Director of Housing at DESC. For more info, please see http://www.desc.org/hf_partners_conference_2012.html
New York’s Chelsea Foyer: Housing for Homeless Young Adults

By Sharon Lee

In King County there are over 1,000 homeless young adults. The lack of housing for homeless youth and young adults is appalling. The Seattle/King County Ten Year Plan to End Homelessness, which is set to end in 2015, has made very little progress in ending homelessness among the young adult population. Only 52% of the goal for housing homeless young adults has been met according to data from the Committee to End Homelessness.

The young adult homeless population is diverse. It includes: youth aging out of foster care, runaways, throwaways, victims of domestic violence, the chronically homeless, refugee/immigrants, people of color, the mentally ill and chemically addicted. Approximately 20% to 40% of homeless young adults are lesbian, gay, bisexual, transgendered, queer or questioning (LGBTQ). These young people are rejected by their families, in some cases evicted from their homes. They are at heightened risk for sexual exploitation, violence on the streets and suicide.

Given Seattle as a port city, we have hundreds of youth and young adults who are victims of commercial sexual exploitation and human trafficking. This is an especially lucrative field – with online pornography and advertising for prostitution – because it entails fewer risks than drug trafficking and other illegal activities. But there are few beds for survivors of commercial sexual exploitation.

How many news articles do we have to read about pimps being locked away and the plight of their young victims before we take action? As Nelson Mandela said: “There can be no keener revelation of a society’s soul than the way in which it treats its children.”

I had an opportunity to visit a remarkable program in New York City. The Chelsea Foyer provides housing and supportive services to 40 young adults ages 18 to 25. The program is operated by Good Shepard Services, a youth and family service agency, and is housed within The Christopher, a large 207 unit apartment building managed by the nonprofit Common Ground Community. The Christopher is located at 202 West 24th Street and contains a separate entry and lobby for 40 units for the Chelsea Foyer. The other portion of the building contains 167 supportive housing units for formerly homeless and low-income adults.

The Chelsea Foyer was started in 2004 and is based on a British model of reducing youth homelessness. Central to the belief of the Chelsea Foyer is that: “no young person is ready to be fully independent at 18,” therefore age and developmentally appropriate services and opportunities should be made available so that young people can practice living on their own, learn to take care of themselves, and develop the skills to be fully self-sufficient. The program provides 24 months of supported transitional housing.

The young adults live in a community of peers, sharing successes, setbacks and learn to stay on track. “A lot of freedom, a lot of responsibility, is a balancing act for residents and for us,” stated Denise Hinds, Assistant Executive Director of Residential Services, who directs the program. She noted that they do not coddle them: the staff lets them lead their lives. Nevertheless, because of their age and developmental stage, the residents need a lot of adult support, so staff act like parents. The program is “having caring adults to support you along the way,” said Hinds. The staff decides “how long to let them stumble before stepping in.”

The young adults must find work, shop and cook for themselves and they must clean their units – which are inspected daily by staff. The goal is for each of them to develop a history of working, be connected to services, develop independent living skills, and be able to obtain stable housing upon leaving.

The 40 residents include a mix of young adults aging out of foster care, runaway and homeless. Of the residents, 56% are female, 44% male. Their ethnicity: 60% are Black, 26%
New York’s Chelsea Foyer: Housing for Homeless Young Adults

Latino, 9% white, and 5% interracial. The residents prior status include: 26% foster care, 35% from crisis shelter, 2% street, 23% transitional housing and 14% couch surfing.

The staff includes a program director, social work/aftercare supervisor, case managers, independent living counselors, administrative assistant, nurse, volunteers and interns. Key program components include personal support, life skills, work force, development, community and housing. Good Shepard Services estimates that it costs $104 per day to house and provide on-site services to a young person. This contrasts with congregate foster care at $323-$370 per day, a homeless shelter without services at $56 per day, and prison at $238 per day.

The Foyer is funded from a number of sources including HUD, New York State Supportive Housing for Families and Young Adults, New York Department of Health and Mental Hygiene, New York Department of Homeless Services, New York City Department of Youth and Community Development, NYC City Council Funding, and private grants.

The living environment at the Foyer is designed to be a cross between a college dorm and an apartment building. The 40 units include studio units and quads – where four residents share a kitchen, living space, two bathrooms and have their own bedroom. There are five quads, one on each floor. When I toured the Foyer, each unit was neat and clean, including the common kitchens in the quads. A case manager is assigned to each floor and their office is located on the floor, making it easy to connect and interact with the residents.

All residents are required to work at least 20 hours a week, as they would otherwise have no income. They must also be in school or vocational training and meet with case managers twice a month. A personalized “Action Plan” is developed by the young person and his or her case manager. Four indicators are tracked to measure progress: employment, education, payment of program fees, and workshop attendance.

Of the current residents, five are unemployed and must participate in career club and look for work. A Columbia University work study student helps them in seeking employment. A program fee of 30% of their income is charged. This is given back to them when they leave, so residents can have money for rent and deposit at their new place. Everyone attends a Housing 101 workshop to develop their plan to secure stable housing. The residents must attend four life skills workshops each month.

The Foyer has very strict rules. Outside guests may only visit in the lobby and sitting area on the first floor, they are not allowed in a resident’s room. No overnight guests are allowed. The restrictions are designed to encourage the residents to move on from the Foyer to their own housing. In addition, no alcohol, drugs or weapons are allowed.

The goal for residents leaving the Foyer is for 70% to be employed, 60% would have saved $100 per month, 75% will have stable housing. The residents are expected to meet their financial needs and to avoid reliance on public assistance. Of the 122 residents who completed the program, the results show the Foyer to be a highly effective and successful program: 82% have jobs, 52% saved $100 per month, and 98% have stable housing. Of the 78 residents who did not complete the program or where there was an involuntary separation, the results were: 45% are employed, 17% saved $100 per month, and 74% secured stable housing.

The Chelsea Foyer is a successful program that can serve as a model for others across the country, including Seattle. The Low Income Housing Institute purchased a property in Seattle’s University District to develop into housing for homeless young adults. Working in partnership with YouthCare, Sound Mental Health and others, we hope to design and implement a similar housing program within the timeframe of the Ten Year Plan to End Homelessness.

For more information about the Chelsea Foyer, go to www.chelseafoyer.org
Analysis Of Student Homelessness In Washington State Counties

Crisis hits all corners of Washington State: 1 in 40 students homeless

During the 2010-11 school year, 26,049 students in Washington schools were identified as homeless – a 19% increase from the previous school year and a 55% increase from 2006-07. Columbia Legal Services (CLS) conducted an analysis of student homelessness trends over the past five years using publicly accessible data. CLS hopes this updated analysis will help the community understand the crisis affecting Washington’s youngest residents.

Key findings include:

• All but nine counties have a homeless student population greater than 2%.
• Almost a third (31%) of all homeless students attend school in rural areas. In many rural counties, the rate of homelessness is far above the average.
• At least 1 in 20 students is homeless in seven counties: Asotin, Douglas, Grays Harbor, Klickitat, Mason, Pacific, and Pend Oreille.
• Over the past four years, most counties (23) have seen student homelessness increase more than 50%.
• 49% of homeless students are in fifth grade or below.
• 52% of homeless students are in the five most populous counties: Clark, King, Pierce, Snohomish, and Spokane.

Educators, service providers, policymakers, advocates, and community members are encouraged to access www.schoolhousewa.org to use interactive charts, graphs, maps, and other tools.

These findings again highlight the need for community involvement throughout the state as well as for clear, supportive, and focused policies that foster stability and academic success for all homeless students. “The data underscores the pivotal role that schools must play in the fight to end homelessness as well as our collective responsibility to ensure that schools have the tools and resources they need to educate all students,” stated Katara Jordan, an attorney with the Children and Youth Project at Columbia Legal Services.

More information on these findings is available at www.schoolhousewa.org/countyanalysis and http://www.columbialegal.org/node/172

Are you a housing voter?

The Washington Low Income Housing Alliance believes that when we, as affordable housing advocates, vote in greater numbers AND participate in other advocacy opportunities, elected officials will pay greater attention to the issues that we care most about.

But voting is just the first step! We also believe that voters are more likely to volunteer, stay informed, and remain engaged in advocacy year-round.

Are you a staff member of a nonprofit service or housing provider? The Housing Alliance is working with many nonprofit groups across the state to support non-partisan voter engagement work such as voter registration, voter education and voter turnout. We believe service and housing providers who interact with low-income people regularly are trusted messengers who can be effective in encouraging their clients or residents to vote, and to stay engaged in year-round advocacy opportunities.

Here are just a few examples of how our members are engaging in voter registration activities!

• The case management team at Mercy Housing NW is including voter registration in their orientation and resident check-in materials, and hosting a series of community events, such as potlucks and movie nights, where voter registration forms and information can be distributed.
• Teen Feed is training their staff and volunteer base to engage in voter registration activities during their evening meal program. Voter engagement work is an excellent opportunity to activate your base in on-going advocacy!

For more information on voter registration or how to can get involved in voter engagement activities, please contact moque@wliha.org.

Sign our Pledge to Vote at www.wliha.org to become a housing voter! When you sign the Pledge to Vote you are pledging your commitment to see that all Washington residents have the opportunity to live in safe, healthy, affordable homes in thriving communities.
Rep. Reichert Bipartisan Bill to Support Homeless Veterans Passed in Congress

by Natasha Mayer

In May, U.S. Representatives Dave Reichert of Washington (R-WA 8) and Tim Walz (D-MN) introduced legislation in the House of Representatives to enable non-profit organizations that serve homeless veterans to participate in the primary Veterans Affairs grant program that supports housing and other facilities for homeless veterans.

The Housing for Heroes Act (H.R. 5830) ensures that more non-profits serving veterans have access to compete for federal resources designated to combat veterans’ homelessness. Current laws prevent non-profits that use the Low-Income Housing Tax Credit to shelter the homeless from competing for Veterans’ Affairs Grant and Per Diem Program resources, solely because of how the tax credit is administered. This fix will allow these non-profits to put roofs over the heads of those who have risked their lives for our freedom and now find themselves homeless.

It is estimated that 67,495 veterans are homeless, a disproportionate share of the population.

“After everything that our veterans have done for our country, it is our duty to eliminate barriers to assisting them,” said Rep. Reichert. “This is a solution that will enable more non-profit organizations to take advantage of existing grants and give our homeless veterans additional housing options. Our veterans deserve safe and healthy places to live and we’re going to make that easier for them.”

“We have a moral responsibility to do all we can to take care of our brave service members when they get home,” said Rep. Walz, a 24-year veteran of the Army National Guard. “After the sacrifices they’ve made for our nation, it is the least we can do. This legislation simply lifts barriers to existing grants and will work to improve the quality of life for homeless veterans, to put roofs over their heads, and to ensure they are getting the assistance and care they have earned and deserve.”

“Our veterans fight a war abroad. Why should they have to fight another war at home? Over 67,000 veterans are homeless on any given night,” said Sharon H. Lee, Executive Director of the Low Income Housing Institute in Seattle. “We applaud Congressman Reichert as his bill is sorely needed and will allow more homeless veterans to benefit from the V.A.’s largest housing initiative, the Grant and Per Diem Program.”

“The importance of this bill on the impact of both old and new veterans is enormous,” said Joe Ingram, Executive Director of Vets Edge and himself a formerly homeless veteran. “It builds a foundation for rebuilding veterans’ faith in their government.”

“The VA Grant Per Diem program is a great program that supports the efforts of veterans who are struggling to live stable fulfilling lives,” said Rick Friedhoff, Executive Director of Compass Housing Alliance in Seattle, WA. “Legislation that improves the workability of this great program would benefit veterans and communities seeking to provide clean, safe and affordable housing for veterans, their families and people in need.”

The encompassing “Honoring America’s Veterans Act” is a comprehensive, bipartisan, bicameral legislative package to provide for the needs of veterans, their families and survivors through improving healthcare, housing, education and memorial services.

Natasha Mayer is Communications Director for Congressman Dave Reichert. For more information please visit reichert.house.gov.
The Importance of Advocacy: A Conversation with Sheila Crowley and Nan Roman

by Ben Miksch

On May 31st, the Washington Low Income Housing Alliance brought together members from the community and national leaders on housing issues for a forum on federal advocacy. We were pleased to welcome Nan Roman, President and CEO of the National Alliance to End Homelessness, and Sheila Crowley, President and CEO of the National Low Income Housing Coalition, who joined us from Washington, D.C. to participate in an engaging conversation around affordable housing and homelessness issues and the broader legislative and political environment at the national level.

Probably to no one’s surprise, budget issues and the upcoming elections dominated much of the conversation. The 2012 presidential election, as well as what may happen with the House and the Senate, will dictate much of what happens for the next 2-4 years. In addition to elections, at the end of the year we will see the expiration of very costly tax breaks for the very wealthy and the expiration of other controversial tax related matters; another debate on renewing the debt ceiling; and also the possibility of $1.2 trillion in across-the-board cuts as part of the Budget Control Act. All of these critical and very controversial issues will be left in the hands of the post-election, lame-duck Congress. With so much left on the table for the last minute, the bottom line is that, right now, we really don’t know what is going to happen at the end of the year.

Senator Patty Murray, who has used her position as Chairman of the Appropriations Subcommittee on Transportation, Housing and Urban Development, as well as her position on the budget super-committee, to fight for funding for affordable housing and homelessness.

Nan said that the housing community has been hearing that upcoming budget proposals will “protect the vulnerable,” but we haven’t seen details about what that will actually entail. The job for us as affordable housing and homelessness advocates, Roman said, is to make the case that it is “penny-wise and pound-foolish” to not take care of the needy while working to ensure that enough funding is provided for critical safety net services. She suggested that we can do this by marrying the stories we hear from people in our communities with a strong, data-driven case for our programs. We can link housing outcomes to other outcomes we care about such as health care, mental health, veterans’ homelessness, and education.

Roman shared that she sees a lot of energy and political will on both sides of the aisle to address homelessness, especially for veterans. Domestic violence and its links to housing policy, as well as youth homelessness, are both areas that are starting to receive additional attention and are places where our stories and advocacy can achieve real results.

In the meantime, both Roman and Crowley agreed that our top priorities should be advocating around the appropriations bills to ensure that we meet the President’s mark on HUD Homeless Assistance, VASH, USDA Rural Housing Programs, and also to ensure that any tax bill that ends up moving forward includes $1 billion for the National Housing Trust Fund.

This is an interesting time for advocates, and we definitely have our work cut out for us. The Housing Alliance can’t thank Roman and Crowley enough for joining us, and for the candid conversation about the challenges and opportunities that are in store for homelessness and affordable housing advocates.

Ben Miksch is State and Federal Policy Associate at the Washington Low Income Housing Alliance.
The 22nd Annual Conference on Ending Homelessness

by Ben Miksch

On May 16, the Washington Low Income Housing Alliance kicked off the 22nd Annual Conference on Ending Homelessness. For 22 years, the conference has brought together people from across Washington state who are passionate about bringing an end to homelessness, allowing them to learn skills, build partnerships, and share the energy and enthusiasm we need to overcome the challenge in front of us.

The theme of this year’s conference, “The Changing Face of Homelessness,” gave attendees a chance to explore the changing dynamics of homelessness, as the poor economy and cuts to state and federal budgets have changed who is experiencing homelessness today. New challenges mean our response to homelessness is changing. New tools, ideas, and best practices are taking root across the state.

On the first day of the conference, Washington Superintendent of Public Instruction Randy Dorn talked about the startling increases the State has seen in student homelessness in the past few years. This includes a 19% increase from the 2009-2010 school year to the 2010-2011 school year alone. 26,000 students experienced homelessness in the 2010-2011 school year, which is 1 in every 40 pupils. Dorn talked about how changes in technology and curriculum can help ameliorate the harm inflicted by homelessness and help ensure that even students who experience homelessness still receive a solid educational base to build from.

Perhaps more importantly, Dorn talked about the power of individuals in a community to make a difference in the lives of children. He shared a personal story from when he was a school principal about a student of his who was experiencing homelessness. The community came together to ensure that the student had shelter and the resources he needed in order to finish his education and graduate with his peers. Today, that student is a machinist at Boeing. Dorn reminded us how shelter, support, and caring individuals can make a tremendous difference in the life of another.

The second day’s lunch was keynoted by two speakers from the Washington State Budget and Policy Center: Michael Mitchell, State Policy Fellow, and Andy Nicholas, Policy Analyst. Learning about the state budget is a little bit like having to eat your vegetables at dinner, but Andy and Michael were able to make it into a surprisingly fun and accessible experience. When you’re working in your community providing services to individuals in need, it’s easy to wonder about the relevance of seemingly esoteric topics like Washington’s upside down tax structure, the changing trends in sales tax revenue, or how the number of votes it takes to pass a tax-break differs from the number of votes it takes to end that same tax-break. However, as Michael and Andy showed us, the state budget plays a huge role in funding the programs and services low-income people depend on. If we want to accomplish our goal of ending homelessness, understanding the state budget and advocating for funding is an unavoidable component of success.

The final keynote speaker was by Nayantara Mehta, Senior Counsel for the Alliance for Justice. Many organizations in our community are interested in doing advocacy, but are stymied by the complex rules about what activities are allowed, which aren’t, and which need to be tracked and filed with the IRS. The good news is that there are lots and lots of important activities that are all allowed and encouraged. Nayantara was on hand to explain the rules, in detail, and then to answer specific questions from the audience afterwards.

The Alliance for Justice has started a new advocacy project called Bolder Advocacy that houses all of their free how-to’s, fact sheets, and reports at www.bolderadvocacy.org. They also offer free advice from lawyers around specific questions that aren’t answered elsewhere. It is a great resource for any nonprofit-organization that is interested in doing any kind of advocacy.

The keynote speeches weren’t the only thing going on at the conference. Attendees also participated in 48 workshops, ranging from updates on critical programs by the State Department of Commerce and HUD to a presentation on Seattle’s Women in Black who are working to raise public awareness of the lethal consequences of homelessness. There were also special events, including a movie-screening, two local homeless outreach vans, a silent auction, and a tour of downtown Yakima’s core services. All in all it was an incredibly packed three days, with something to offer everyone.

For those of you weren’t able to attend there’s always next year! Our goal is to make sure the 23rd Annual Conference on Ending Homeless is even better than this one.

Ben Miksch is State and Federal Policy Associate at the Washington Low Income Housing Alliance. For more information about their work and the annual conference please visit at www.wliha.org.
Lisa lived in her car at a rest stop beside a highway near Seattle from May through early December of 2011. She lived with her 15-year-old son, a newbie among the more than 21,000 Washington state students who were homeless at that time. The boy and his mother would move into a motel room for two weeks to sleep well and get clean and recover some optimism. Then they would return to their car and the rest stop for two weeks to save money for gas and other necessities. “If I talk about it I get emotional,” she said. “My apologies if I start to cry. It was hard. It was scary. It was sad.”

Lisa had lost a job she loved as manager of a 7-11 store in nearby Sea-Tac, when she was disabled by multiple sclerosis. After her landlord died and his heirs sold the home that she and her son had rented with roommates, she “fell short.” She had no savings to cover what it would take to rent a new place – the background screening fees that landlords demand, first- and last months’ rent if her application should be accepted, plus deposits for security. These requirements add up to a daunting total for poor people, even in cases when they have steady jobs and the rent won’t gobble up well over half their income.

But too often the rent does exactly that in America, even to full-time workers, says a report published March 14 by the National Low Income Housing Coalition (NLIHC). The report, Out of Reach 2012: America’s Forgotten Housing Crisis, compares rental rates and working-wage levels across the country and finds that market pay for low- and median-level wage-earners simply can’t cover market rents.

To pay for a modest, affordable two-bedroom apartment at fair market rental rates in an American city – “affordable” defined as costing no more than 30 percent of one’s income – a worker must earn what NLIHC calls a Housing Wage of $18.25 per hour. But wage-earners in urban areas average only $14.15 per hour. Outside metropolitan areas, where affordable rental units require an hourly Housing Wage of $12.21, wages average only $9.97.

Rising demand for rental housing pushed rents higher when the recession depressed homeownership rates across the U.S. At the same time the supply of low-cost rental units shrank, with landlords either remodeling them into higher-priced units or letting properties decay. The most serious shortages of affordable, decent rental units confront the poorest of the working poor – those earning 30 percent or less of area median income. For every 100 workers in this category seeking to rent a home, only 30 units that they can afford are available, according to the report.

Washington is the 16th most expensive state in the nation in terms of the Housing Wage required to pay for an affordable two-bedroom apartment, says NLIHC. A renter working here at the minimum wage of $9.04 per hour would have to put in 80 hours, 52 weeks a year, and a renter earning the average Washington state wage of $14.62 would have to work 50 hours per week all year.

In short, says the report, even Washingtonians working full time at the state’s average wage can’t afford a very modest two-bedroom family apartment.

Lisa and her son found the rest stop where they lived for half of last year while driving along I-5 on one of their searches for low-cost housing. They turned off the highway to let the family dogs run around awhile, and Lisa saw a few people who seemed to be living in their vehicles. “It looked like a safe place to be,” she said. “With my ‘handicapped’ sticker I could park the car right across from the rest rooms and the kitchen area where there was coffee.”

When their laptop and cell phone needed charging, Lisa would take her son to McDonald’s, she said. For his sake “I tried to keep life as normal as possible.” He’d go to school as usual, and then afterward meet up with friends at a community center gym where they could shoot baskets together. When Lisa picked him up toward dinnertime, “he’d pretend to his friends he was going home,” she said. Her husband, from whom Lisa had been divorced many years, stayed connected with his son as best he could despite working as a long-haul truck driver all over the country, calling nearly every day.

“The longer my son and I lived at the rest area,” said Lisa, “instead of being scared and hiding I started to watch, and I’d see the same people. The woman who brought the old man food every day. The Oldsmobile with a cracked windshield that two gentlemen lived in. The woman in the blush-gray station wagon – she would take things in and out of her vehicle, constantly rearranging, like keeping house. It’s like at home when you’re bored, you clean out a closet, and you take things out and put things in. I caught myself doing it where I was parked.”

On a cold, sunny March morning after hearing Lisa’s story, I drove with boxes of miniature doughnuts and a big Thermos pump pot full of hot coffee to a rest area near Seattle, wondering whether people were living in their vehicles there.

Juggling coffee, cream, sugar, cups, and doughnuts I approached the window of a dented blue Ford sedan. Behind the steering wheel sat an elderly man reading a Bible printed in some kind of Asian calligraphy. A clean folded towel covered the dashboard, a blanket draped the man’s knees, and the back seat was neatly stacked with boxes. Cranking the window down,
he accepted a doughnut and a cup of coffee. He nodded when I asked him if he was living in his car. When I asked what chapter he was reading, he replied, “Matthew,” with a polite smile, then turned away from further questions.

In a parking slot closer to the rest room area, the rumpled, gray-haired owner of a dusty van crammed with belongings said he’d been living there for a year. Rick had loaded and driven trucks most of his life, until a degenerative spinal disc disease ended those work options. Now he awaited a decision on his formal application for SSI.

Meanwhile, Rick said, he’s grateful to have a relatively safe place where he can live in his van. Highway patrol officers regularly check on vehicles overstaying the 8-hour limit to make sure drivers don’t have outstanding arrest warrants and aren’t intoxicated or on drugs, he said. “Speaking of which, all those years I was working, I thought people living the way I live now were deadbeats or drunks. Now I know better.”

In the parking space adjacent to Rick’s, an open-faced, clean-cut man in a fairly new white Jeep accepted coffee and two doughnuts. Duffy is in his fifties, a couple of years younger than Rick. In February, just before the lease on his apartment was set to rise rather steeply, he lost his job as a merchandiser. “I made over $50,000 a year at Sears,” he said. “I’ve only been living here a week, so I’m not as bad off as the lady in the pickup over there. She’s lived here seven years. A job’ll turn up soon for me.” To save on gas, he and Rick alternate driving together to get food and maintain contact with the worlds of medical care and potential employment opportunities.

Ann, an attractive, neatly dressed strawberry blonde who looked to be about 40, said she’d been living at the rest area ever since she was laid off from her warehouse job over a year ago. Her 20-year-old son, who didn’t finish high school (“He hasn’t had a chance,” said his mother), sat in their compact station wagon reading a novel as Ann and I stood in the sun for some conversation over containers of coffee. “It probably doesn’t sound like much, but at the warehouse I made $11 an hour,” she said. Ann keeps looking for work, though looking requires driving, “and that’s expensive.” Like Duffy, she made the best of her situation through comparisons with people who are worse off: “At least my son and I have a car to live in. Some don’t,” she said.

One of these stories already has a happy ending. Thanks to Solid Ground, the Seattle nonprofit that originally put me in touch with Lisa, she and her son now have a roof over their heads.

There was a sad ending, too. It was time to go home, and my Thermos of coffee was nearly empty. I stopped by the dented blue Ford once more in case the elderly man reading his Bible might want the last of it. He held out his cup, and as I filled it with coffee and cream he gazed at the half-full box of doughnuts tucked awkwardly under my elbow. Maneuvering the box into his hands, I accidentally popped the lid open and dumped a few of the doughnuts onto the ground beside his door. He watched me pick them up. As I nodded goodbye, turning toward the garbage cans with a handful of grimy little cakes, he pointed at them and held his cupped hands out the window.

Judy Lightfoot writes for Crosscut.com about a time of economic stress and diminished expectations. Formerly a teacher and professor, she also writes about books, education, and the arts. Email judy.lightfoot@crosscut.com.
New Study Reveals Incomes and Rent Burdens of LIHTC Households

A paper recently released by NYU Wagner Graduate School and the University of Massachusetts Boston, describes the incomes and rent burdens of tenants living in Low Income Housing Tax Credit (LIHTC) properties. This is the first time this type of analysis has been conducted on the LIHTC program, which is currently the largest federal affordable housing production program. The authors used tenant-level data from 15 states, representing over 30% of all LIHTC units and all regions of the country.

The authors found that LIHTC recipients tend to have higher incomes than households assisted by other federal rental assistance programs, but that the LIHTC program does serve a significant number of extremely low income (ELI) households. Approximately 75% of all households served by HUD programs such as public housing, vouchers and project-based Section 8 are ELI, compared to 43% of LIHTC households. Moving up the income scale, the study reveals that 37% of LIHTC households earn between 31-50% of AMI, 14% earn between 51-60% of AMI and the remaining 7% earn above 60% of AMI.

The report also examines the rent burdens of tenants living in LIHTC properties. Because the rents charged at LIHTC properties are not based on the actual income of the household occupying the unit, as is the case with most HUD programs, there is a greater chance that LIHTC households will spend more than 30% of their income on rent and utility costs. The analysis shows that 42% of LIHTC tenants have a rent burden between 31% and 50%, while 17% are severely rent burdened, paying over half of their income on housing costs.

Read the full report, What Can We Learn about the Low Income Housing Tax Credit Program by Looking at the Tenants at www.ncsha.org/advocacy-issues/housing-credit.

Nation’s First AIDS Housing Turns 20

Bailey-Boushay House, the residential care facility in Seattle’s Madison Valley which was the first of its kind in the country, turns 20 this year. Bailey-Boushay focused on the health care needs of people with AIDS. Bailey-Boushay House was created at the height of the AIDS epidemic. By 1991, nearly 2,000 people in King County had been diagnosed with AIDS. At the time, they were given 12-24 months to live. There were limited options for those who needed end of life care. Most of them ended up in hospitals. But that was expensive. Betsy Lieberman, the founder of Bailey-Boushay, received a grant from the Robert Wood Johnson Foundation to help get the project going. Lieberman found a location for the facility, an empty lot in Madison Valley, after which many community activists picketed then-Mayor Norm Rice’s office. According to Lieberman, “They picketed and said ‘ban the AIDS prison from the Central Area.’ People were just scared.”

Eventually donors like Boeing, Safeco, and other influential benefactors joined the project, and than 5,000 people contributed to the creation of Bailey-Boushay House.

In recent years new drugs have helped reduce death rates and medical complications and services at Bailey-Boushay have evolved. The Seattle facility continues to provide end of life care, not just for those dying of AIDS, but for those in the last stages of ALS, cancer and other terminal illnesses.

For more information please visit www.bailey-boushay.org.

HUD Designates 2013 Qualified Census Tracts

The U.S. Department of Housing and Urban Development (HUD) has designated qualified census tracts (QCTs) for 2013 for purposes of the low-income housing tax credit. HUD based the 2013 QCTs on new data from the 2010 Decennial Census and the 2006-2010 tabulations of American Community Survey. This is the first time since 2007 that the QCTs have changed substantially, and in some cases the 2010 census tract boundaries and numbers differ from those established in 2000. The 2013 QCTs will take effect on January 1, 2013.

Developers use LIHTCs to raise capital for the construction and rehabilitation of affordable rental housing projects nationwide. Investors who purchase ownership interests in LIHTC projects receive federal tax credits annually for a period of 10 years that offset their other tax liability dollar-for-dollar. The purchases help reduce the amount of money a developer must borrow to finance a construction or rehabilitation project and result in lower, more affordable rents for low-income families due to lower debt service expense.

For more information please visit www.huduser.org
Examining Hunger in King County

Josephine Kingman

One in six people in King County experience food insecurity. Out of every six people, one is unsure where their next meal is coming from. That statistic alone is overwhelming, but there’s more. One in every five children in King County is at risk for hunger. Over 105,000 King County residents are currently living on food stamps. In the past four years, local food banks have seen a 30% increase in the number of clients coming to them for help. At the same time, the number of donations to food banks has decreased by 31%. Hunger is a serious problem in King County.

In late March, The United Way organized Hunger Action Week to focus attention on the problem of hunger in King County. To kick off the week, they hosted the Hunger Action Forum at the Seattle Center. The goal of the forum was to bring together advocates, policy makers, food security experts, and community members to take a close look at hunger issues in King County. Seattle City Councilmember Richard Conlin opened the forum, and called on everyone in the room to take a stand against hunger. “We should not be content with allowing hunger and poverty to persist in our community.” José Gaitán, Board Chair of the United Way, added, “We need to acknowledge this issue. It’s not going to get better unless our community understands that it is happening right here in our neighborhood.”

Poverty and hunger are inextricably linked. According to the USDA Food and Nutrition Services Department, the poverty level for a family of two is $14,580 a year, and $22,056 for a family of four. In King County, 58% of food bank clients are living below the poverty level. Many of these people are working full-time, but they are not earning a living wage. In Seattle, a person making minimum wage has to work 93 hours per week to afford the rent on a typical two-bedroom apartment. After the bills are paid, there is very little money left for groceries.

Hunger is about more than just limited access to food, it is about limited access to the right kind of food. Hunger and obesity are two sides of the same coin. Often the food that is the cheapest and easiest is also the unhealthiest. In the last 30 years the price of fresh fruits and vegetables has increased by 120% while the price of junk food has risen by only 20%. The areas in King County with the highest rates of obesity are primarily the same areas of the county that have the lowest median incomes – the south King County cities and towns of Burien, Kent, Des Moines, Auburn, and Federal Way. South King County also has the highest concentration of people experiencing food insecurity, and the highest number of children enrolled in free/reduced lunch programs.

Families are not alone in their fight against hunger. Rainier Valley Eats (RaVE) is just one example of an organization that is mobilizing to fight hunger in King County. RaVE staff attended the Hunger Action Forum and gave a creative panel presentation. RaVE believes that healthy food is a basic human right and recognizes that the ability to access healthy food is related to multiple issues and not just a result of having low income. RaVE operates on a “grow, share, eat” model which is focused on growing healthy food, cooking nutritious recipes, and eating delicious meals together with friends and family. RaVE works in partnership with other non-profits to offer classes and workshops at several different urban farms and community gardens, to offer cooking classes for all ages, and to host large community dinners. RaVE is also working on a progressive new model for increasing access to healthy food which identifies points of connection with low-income families – such as daycare centers – and delivers bags of fresh produce from local farms to these locations. This model could make a big difference in decreasing hunger and obesity.

The costs of hunger to King County individuals and their families – and to all of us in lost productivity and strains on the medical system – are unacceptable and unsustainable. Non-profit organizations such as food banks, Boys and Girls Clubs and faith-based organizations are working to meet a dire need in their community. By taking a broad approach to solving the problems of hunger and obesity, we can achieve real change in our community and increase access to healthy food.

Josephine Kingman is Program Assistant for Global Development at the Bill and Melinda Gates Foundation. For more information on RaVE, visit www.rainiervalleyeats.org. For more information on the United Way’s Hunger Action Week visit www.uwkc.org.
Housing Washington in Tacoma, October 15-17, 2012

Housing Washington is an annual state conference on affordable housing featuring comprehensive forums for education & discussion, an exhibitor showcase, and special events. Recognized as a leading regional resource, it annually attracts the largest number of people working within the affordable housing industry under one roof. At the Greater Tacoma Convention and Trade Center.

For more information and registration visit www.wshfc.org/conf.

Signs of a Turnaround in the U.S. Housing Market

The Joint Center for Housing Studies of Harvard University published its signature annual report, The State of the Nation’s Housing 2012. The report concludes that housing markets are showing signs of reviving. “While still in the early innings of a housing recovery, rental markets have turned the corner, home sales are strengthening, and a floor is beginning to form under home prices,” says Eric S. Belsky, Managing Director of the Joint Center. Rental markets are on the mend thanks to sharp drops in construction and an increase of over 4.4 million renters since 2005. Rental vacancy rates are falling, rents are increasing, and multifamily construction is up solidly.

See the full report at www.jchs.harvard.edu.

National Affordable Green Homes and Sustainable Communities Summit, November 13-14, 2012

This two-day summit continues to educate, advance, challenge and inspire those who already are involved in providing green affordable housing and community development, as well as engage those who are just being introduced to this exciting and active development sector. Practitioners and thought leaders in this field will present on how to successfully plan, finance, develop and manage these types of projects, as well as how this urgently important work addresses the needs of our stakeholders, environment, and the resiliency of our communities. At The Moscone Center in San Francisco, CA.

For more information and registration visit www.greenbuildexpo.org.