WASHINGTON STATE UNIVERSITY

THE WILLIAM D. RUCKELSHAUS CENTER

UNIVERSITY OF WASHINGTON

Pathways to Housing Security in Washington State

FACILITATED DISCUSSION 2: Connecting Housing Security and Economic Security

August 10, 2023 12:30PM-4:30PM (online)

The Washington State Legislature has tasked the Ruckelshaus Center to facilitate discussions to inform principles, options, and recommendations for a long-term statewide strategy for housing security. This is part of a project described in Section 6 of House Bill 1277 and on the project page.

In August 2023, the Center is bringing together a broad range of participants in guided discussions about options that have emerged from previous interviews and small group discussions. The purpose of these workshops is to react to and refine **options for how state policies, resources, and other supports can best contribute to sustained progress toward housing security.** Each workshop is focused on a theme, while holding the whole picture of housing security in mind. For a list of themes and to register for other workshops, go to this link.[1]

After these discussions, a draft of guiding principles and recommendations will be developed. Feedback will then be gathered through virtual and in-person workshops in September.

A final report is due on December 1, 2023.

UNDERLYING PREMISE FOR CONNECTING HOUSING AND ECONOMIC SECURITY

Housing security is advanced when there is availability and affordability of housing for low- and middle-income individuals and households, housing is stabilized when it becomes precarious, homelessness is prevented when possible, and experiences of homelessness are mitigated as quickly as possible.

For people to be stable in housing, their economic status needs to be stable – and for people to maintain economic stability they need to be housed. The housing security of a community is similarly connected to its economy. Actions related to housing security and actions related to income, employment, workforce development, and other forms of economic security need to be mutually reinforcing or at least not inadvertently work at cross purposes.

EMERGENT OPTIONS FOR CONNECTING HOUSING SECURITY AND ECONOMIC SECURITY

SUPPORT HOUSING SECURITY FOR THOSE EXPERIENCING ECONOMIC INSECURITY

Option 2-1 (Income Eligibility Gap): Supplement housing assistance eligibility beyond federal income limits to compensate for the locally disproportionate mismatch between household income and housing costs.

Option 2-2 (Income Eligibility Cliff): Extend housing assistance eligibility to replace binary thresholds with a sliding scale to help people gradually transition to housing stability as their socioeconomic stability also gradually improves.

[1] https://ruckelshauscenter.wsu.edu/projects/current-projects/pathways-to-housing-security/2023-housing-security-workshops/

Option 2-3 (At-Risk Households): Support individuals or households in meeting unanticipated or excessive expenses that destabilize their housing and contribute to risk of entering or returning to homelessness.[2]

Reducing acute homelessness garners a lot of warranted attention in the response to housing needs, yet for the comprehensive goal of advancing housing security, there is also a need to expand investments that stabilize people whose current housing is at risk. This stabilization is its own key outcome for housing security; it has a mutual benefit as an intervention to prevent homelessness in some cases.

One desired approach to stabilize current housing is to create or expand bridging grants or loans for circumstances that temporarily make it difficult for individuals or households to make rent or mortgage payments on time, such as unexpected home or auto repairs, medical expenses, job loss or reduction, parking and other fines and fees, and pending utility disconnection. Another approach is to provide education and coaching on financial planning skills, home maintenance, and navigating access to available supports and resources.

Option 2-4 (Access to Affordable Housing): Ensure equitable access to affordable housing for those transitioning from homelessness and most at risk of housing instability.[3]

Increasing the supply of affordable housing is its own key outcome for housing security, and there is widespread agreement that it is critical to mitigating homelessness – yet there is concern that it is not sufficient. Increasing affordable housing supply needs to be paired with explicit strategies for equitable access. Examples of desired approaches to facilitate access include providing navigators who work across the housing continuum; bundling services; covering up-front housing application and deposit expenses; credit repair services; financial planning and education; subsidizing, insuring or providing no or low-interest loans; supporting alternatives to traditional lending, and reducing barriers to access such as exclusions due to criminal history.

Strategies designed to facilitate access for those currently and historically most marginalized and least well served by current housing options due to racism, other systemic disadvantages, and exclusionary practices are likely to facilitate access universally for those in need of housing assistance. Conversely, designing mostly around the circumstances of the majority can perpetuate current inequities and exclusion.[4] While many hold the perspective that some exclusionary policies are warranted for some circumstances, in practice these policies — without alternate strategies for those circumstances — are counterproductive to the goal of advancing housing security.

Option 2-5 (Hire for Experiential Expertise): Employ people in the housing response who have experienced homelessness or housing instability.

People who have experienced homelessness and housing instability have significant relevant experience and expertise to contribute to implementing the response to housing insecurity, and they are also more likely to be able to connect with people currently experiencing homelessness or housing instability. That shared connection and empathy is important to effectively reach and engage people authentically and to build the trust needed to foster stability.

There are particular challenges in implementing this option. One example is wages that are not adequate to afford their housing but may put their eligibility for services at risk. Another is when a history with the criminal justice system excludes people from employment. A process for facilitating

[2] This is the same as Option 1-3 discussed on August 9 under the theme of *Meeting Needs Along the Housing Continuum*.
[3] This is the same as Option 1-8 discussed on August 9 under the theme of *Meeting Needs Along the Housing Continuum*.
[4] This aligns with the most recent federal strategic plan's adoption of a "targeted universalism"[4] framework (https://belonging.berkeley.edu/targeted-universalism).

exemptions to hiring restrictions on jobs in housing assistance would help to advance housing security by being able to consider an untapped pool of job candidates with valuable experiential and peer support expertise.

Option 2-6 (Coordination with Employment and Income Assistance): Support closer coordination at all levels of the response between housing assistance and programs and services that provide income and employment assistance.

At the level of state and local governments, closer coordination could help ensure mutually beneficial strategy, policy and funding allocations. Examples of desired approaches at the level of service provision include bolstering support for navigators who work across sectors and over time and reducing duplicative eligibility determination processes.

Option 2-7 (Alignment with Poverty Reduction): Cooperate to implement strategies that mutually reduce poverty and housing insecurity.

For alignment with strategies for poverty reduction, the report of this work will cross-reference the recent 10-Year Plan to Dismantle Poverty in Washington and lessons from subsequent efforts implemented in response to that plan, such as the Economic Security for All poverty reduction model.

FOSTER ECONOMIC STABILITY OF THE HOUSING RESPONSE

Option 2-8 (Financial Stability of Grantees and Partners): Support the financial stability of those implementing the response to housing insecurity by offering diverse funding models to diverse grantees and partners.

The scale of need for homelessness services, housing assistance, and affordable housing necessitates an all-hands-on-deck approach, which will be more readily achieved through implementing organizations with long term stability and enough variety of operational models to meet the diverse needs of the response to housing insecurity. Desired approaches for diverse funding models to support this breadth and depth include leveraging the capital of private sector partners, offering up-front funding alternatives to reimbursement models for smaller organizations, flexibility in covering operational costs, explicitly facilitating diversity in awarding funding, and building technical capacity for financial management.

Option 2-9 (Diversified Revenue): Diversify state revenue sources for housing assistance to decouple it from fluctuations in the real estate market.

Being able to rely on sources in addition to document recording fees for homeless housing services will reduce the inverse relationship to the robustness of the real estate market and create greater alignment across all aspects of housing security.

Option 2-10 (Total Investment and Benefit): Analyze and communicate the comprehensive investments that advance housing security, the benefits they yield, and for whom.

The complexity of housing security as a goal necessitates that investments be assessed using a broad, cross-sector view of the resources being allocated and the benefits that they yield. While taking this holistic view may be more than is feasible with a traditional 'return on investment' analysis, a descriptive mapping, with financial estimates where possible, could be established and updated periodically.

A more comprehensive sense of the scope and scale of all resources that support housing security – and the explicit and implicit priorities that reflects – would include government spending, foregone

government revenue from housing-related benefits such as mortgage tax credits, contributions from nongovernmental sources, and the value of temporary housing provided by friends and family who to those who would otherwise be eligible for public homelessness services and housing assistance.

A similarly comprehensive picture of the benefits and to whom they accrue would include direct recipients of assistance and services; those who receive funding or incentives to provide housing services, develop housing, or rent property they own; homeowners who receive tax credits; employers whose employees' low incomes are supplemented with housing assistance or who benefit from workforce housing investments; and other parts of the government who experience averted costs. Estimations of broader benefits than are typically perceived, such as the relative public costs of permanent supportive housing compared to likely alternate outcomes such as incarceration or hospitalization, can also help clarify the value of the response to housing insecurity.

RESPOND TO THE REALITIES OF THE HOUSING MARKET

Option 2-11 (Local Affordability): Allow local communities to determine what is considered affordable housing and fair market pricing based on their local economic conditions**.**

Option 2-12 (Housing Market): Compensate for the inability of the housing market to meet housing needs.

For options related to affordable housing, the report of this work will cross-reference the Affordable Housing Advisory Board's forthcoming updated plan. This plan will include policy recommendations related to identified housing barriers such as funding, land, local approvals, regulation, infrastructure, construction cost, expiring affordability, lack of affordable homeownership, and financing options.

These policy approaches and recent increases in the state's investments to expand affordable housing are generally seen as progress. However, there is persistent concern that added housing units will not be consistent with housing needs assessments, that added housing units will not remain affordable in the realities of the current housing market in Washington State, and that there are not adequate mechanisms to incentivize or enforce affordable housing goals.

Further exploration is needed to identify how the state could intervene to respond to the reality that the housing market is not functioning to meet housing needs, and that this is undermining the economic security of the state.