



Homeless Crisis Moves To Forefront

While national leaders have sidestepped or at most paid lip service to the country's exploding homelessness crisis, more pockets of homelessness are popping up across the nation, particularly in areas where the plight has rarely been a problem.

Lack of an adequate housing supply resulting in ever increasing home prices and soaring rents fueling a gravy train for investors in rental housing triggered an expansion of homelessness unseen here since the Great Depression of the 1930s.

The crisis began on the heels of the recent recession when millions of families were forced from their homes due to foreclosure resulting from inflated and fraudulent mortgages.

Further complicating the problem is the recent flood of immigrants and refugees who in many areas where policy and rules permit have a preference in government subsidized housing because of their status.

While many families have recovered somewhat from the recession and have been able to rent or buy housing, others have been priced out of the market by rising rents in large segments of the market.

That market is controlled by a few major investors who cornered the foreclosure market by buying swaths of abandoned homes cheaply from HUD to convert to rentals for a quick turn on profits.

Those ever increasing rents and other housing availability dilemmas have created a new generation of "Hooverilles" around the country. (Hooverilles were the homeless encampments set up during the Depression and named for President Herbert Hoover who the nation blamed for the economic collapse.)

A new report from Zillow, the online real estate database firm started by former Microsoft executives in Seattle and which has mushroomed into a real estate listing and analytical goliath, describes the new national plight in no uncertain terms.

The report lends support to local and regional lawmakers who have been improvising and applying makeshift solutions to their growing crises while waiting for national lawmakers to devise a solution other than throwing money at the problem without firm spending guidelines.

The Zillow report notes that income growth has not kept pace with rents, leading to an affordability crunch. The report, titled "Priced Out," concludes that homelessness rises more quickly where rent exceeds a third of income.

“Income growth has not kept pace with rents, leading to an affordability crunch with cascading effects that, for people on the bottom economic rung, increases the risk of homelessness,” the study says. “The areas that are most vulnerable to rising rents, unaffordability and poverty hold 15% of the U.S population -- and 47% of people experiencing homelessness.”

The report criticizes HUD’s annual count of the homeless population, saying it critically underestimates the actual number. HUD estimated that 546,566 people were homeless in 2017. Zillow in its own research counters estimates that “far more people -- 660-996 -- likely experienced homelessness in 2017.”

Zillow cites large metro areas that are in a homelessness crisis where homeless populations have erected large tent cities creating uncontrollable social and health problems which many cities are not equipped to handle.

“In pricy, coastal markets including New York, Boston, Los Angeles, San Francisco and Seattle, rising rents have created a no-win situation for many financially strapped renters,” the report says. “Although incomes in those markets tend to be higher than the national median, income growth has not kept pace with rents, leading to an affordability crunch with cascading effects.

“Some high-income renters who typically rent more expensive apartments turn to lower-priced rentals, pushing middle-income renters into even less expensive housing,” the report continues. “The lowest level of earners are forced to work multiple jobs, find multiple roommates and otherwise struggle to make ends meet.”

New York, with the largest homeless population estimated more than 60,000 any given night, and Los Angeles, with a homeless population estimated at more than 53,000, lead the country in homelessness. Those metro areas and cities like San Francisco and San Diego in California, Portland, OR, and Seattle, WA are all in crisis mode unable to keep pace with the dilemma.

The federal homeless program operated by HUD through its Continuum of Care network, while increasing spending by millions of dollars over the years --- \$2.1 billion in FY 2018 -- has only been able to maintain a patchwork rescue program in operation as the problem spins out of control.

That leaves financially strapped state and local governments to deal with the problem, and many have kicked the issue down the road hoping it will somehow resolve itself. Colder states count on the homeless trekking to warmer climes to ease their problems.

The issue has become pressing enough to the point of Sesame Street taking on the issue with a Muppet named “Lily” to help imbue the problem on kids.

Rents and other housing costs continue to climb while wages largely stagnate or remain too low to meet the cost demands. That, complicated by the prospect of a much colder winter, is expected to exacerbate homelessness to the point of pushing it into the national consciousness where it can no longer be ignored.

Info: See the Zillow report at <https://tinyurl.com/y8ln6tkg>

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