OWDC Executive Committee Meeting

Tuesday, January 26, 2021
10:00 a.m. – 11:30 a.m.
Location: Zoom Meeting -https://zoom.us/j/97577195005

AGENDA

Action Items

1. Call to Order
2. Approval of Agenda
3. Approval of Meeting Minutes from October 27, 2020 (Attachment 3.a) pg. 2

Updates and Discussion

4. External Monitoring
5. Policies* (Updates) 1600, 1601, 5206 (Attachments 5.a-c) begin on pg. 5
6. EO Focus Technical Advisory Group Report (Attachment 6.a) pg. 15
7. EO Training and Monitoring
8. PY19 Q3 Primary Indicators (Attachments 8.a) begin on pg. 23
9. Olympic Area Program Dashboard (Attachments 9.a) begin on pg. 29
10. WorkSource On-going Virtual Services
11. New Partners and Members, Letter of Accomplishment (Attachment 11.a) pg 31
12. 2020 Calendar (Attachment 12.a) pg. 32

Next Meeting – April 23, 2021
Zoom

*Pending OCB 22Jan2021 Meeting

OLYMPIC WORKFORCE DEVELOPMENT COUNCIL (OWDC)
EXECUTIVE COMMITTEE SUMMARY
October 27, 2020

ATTENDANCE: Marilyn Hoppen, Aschlee Drescher, Robin Hake, Dave McMahan, Jessica Barr, Julie Hatch, Monica Blackwood, Ashley Jackson
Staff: Elizabeth Court, Alissa Durkin, Luci Bench, Doug Washburn

The Olympic Workforce Development Council's (OWDC) Executive Committee meeting was held on Tuesday, October 27, 2020 via Zoom.

APPROVAL OF SUMMARY

The Executive Committee's Meeting Agenda was approved as follows:

> **ACTION: Dave McMahan moved to approve the Agenda as presented. Motion was seconded by Monica Blackwood.**
> **<u>Motion carried unanimously.</u>**

The Executive Committee's Meeting Minutes were approved as follows:

> **ACTION: Dave McMahan moved to approve the July 14, 2020 Executive Committee Minutes as presented. Motion was seconded by Aschlee Drescher. <u>Motion carried unanimously.</u>**

UPDATES

Internal Monitoring

- PY19 annual monitoring completed. Pathways to Success program continues to do amazing work.
- Kitsap Community Resources (KCR) continues to struggle to meet participant outcome targets. This is due to the staff turnover challenges. KCR is expected to be back on track with meeting participant outcome targets by end of PY20 Qtr2.

Equal Opportunity

- The State EO team will continue to provide online EO trainings in 2021.
- Subcommittee met on October 9th and reviewed draft of monitoring guide. The subcommittee will work on drafting a new monitoring guide that reflects state guidance for COVID-19 safety and accessibility.
- State EO team is working on policy updates and reviewing the Non-Discrimination Plan due December 31, 2020.

- OWD staff attended the Racial Equity in Education. Recap of remarks by Dr. Ben Danielson and Brooke Brown can be found at https://educationvoters.org/2020/10/09/the-time-for-action-on-racial-equity-is-now/

COVID-19 Impact Roundtable

Monica-Social media campaigns going well. Tons of jobs are available however job seekers applying is slow.
Aschlee-Long-Term Care challenging. Staff turnover is high due to staff leaning towards going back to school or staying home during these times.
Ashley-Unable to provide one-on-one support until Phase 4. Challenging competing with applicants without disabilities.
Luci-Collaboration amongst the 12 WDAs has been refreshing. Food being an allowable cost has been rewarding for case managers to assist homeless/runaway youth.
Doug-Kitsap County busy with coordinating federal/state funding into community. OWDC coordinating with Kitsap County Department of Emergency Management to fund Quarantine and Isolation positions.
Jessica-Balancing job demands. Reaching more individuals with virtual workshops.
Robin-Retirement is being accelerated and recruitment is challenging.

OECD Report (attachment 6.a)

Labor Market Relevance and Outcomes of Higher Education in Four US States

- Ohio, Texas, Virginia and Washington State
- The four states experience labor market shortages in specific sectors and occupations, including information and communications technology jobs, health professions and education.
- Students appear to respond to labor market signals, with growing shares enrolling in programs leading to well-paying jobs in science, technology, engineering and mathematics (STEM) and health fields.
- Recruitment challenges persist in the education sector, which is low paying across the four states.

PY19 Q4 Primary Formula Performance Report 8.a

- Enrollment numbers are down.
- Exits going into employment are good.
- Turnover is attributing to Kitsap Community Resources low enrollment numbers. Corrective Action Plan has been issued and expect improvement next quarter.

WIOA System Performance Dashboard (attachment 9.a)

- Shows who is being served, offices are closed but services have continued
- Dip in Integrated Service Delivery (ISD) enrollments due to Labor Exchange (LEX) team placed onto UI.
- LEX team has completed UI role in October, and we foresee an increase in ISD enrollments.

Worksource Location and Moves

Jessica provided updates on the relocation of the WIOA offices and gave insight on services being provided.

<u>Kitsap's new office space is occupied.</u>

- Staff have been set-up on a schedule to come to office and unload belongings from grates.
- Technology refresh for all public resource technology.

<u>Sequim location has reviewed two potential sites.</u>

- Port Angeles WorkSource facility is moving to W. Sequim.
- More to come on what the facility will look like.

DISCUSSION AND INPUT

Roster

- Robins last OWDC meeting will be November 10th.

Calendar

- The 2021 calendar has been revised and sent out to members.

ADJOURN

There being no further business to come before the committee, the meeting was adjourned at 10:47 a.m.

Next Meeting: Tuesday, January 26, 2021, Zoom

1600POL RECORDS AND DOCUMENTATION RETENTION

Effective Date: July 01, 2020
Last Modified: January 12, 2021

Approved by XX

The Olympic Workforce Development Council follows state and federal laws and regulations to ensure Workforce Innovation and Opportunity Act (WIOA) Title I financial and program records meet the provisions of *WIOA Policy 5403 Records Retention and Public Access,* and the Washington State Archive Local Government Common Records Retention Schedule (CORE).

1. **WIOA Title I contracts, agreements, or any other award, including financial, statistical, and property records and documentation fall within CORE GS2011-184 Rev3 regulations and have a 6-year retention schedule.**
    a. Final expenditure report (closeout) submittal initiates retention period.
        i. Exception: if unless litigation, audit, or claim involving the contract begins, the retention begins on the date of resolution.
2. **WIOA Title I participant files are maintained per *WIOA Policy 5403 Records Retention and Public Access* and have a 3-year retention period.**
    a. Subrecipients and contractors house and maintain participant files under the laws and regulations of specific federal, state and local law requirements.
3. **OWDC contractors and subrecipients are required to manage the cost of storage and keep records and documents in a manner to prevent loss or damage.**
    a. Storage costs shall be entered as a liability, requiring payment to the vendor.
4. **WIOA Title I records and documents will be made available in the case of audits, monitoring, and/or examination by the Olympic Consortium Board (OCB), OWDC, U.S. Department of Labor (DOL), or The State of Washington.**
    a. This right also includes timely and reasonable access to Contractor's and subcontractor's personnel, for the purpose of interviews and discussions related to such documents.
5. **The statewide Management Information System (Efforts to Outcomes (ETO) houses all program participant records and documentation per *1610PRO Digital Documentation* procedure.**
    a. If specific documentation is not obtained or required, case notes within the participant records must be present to explain why documentation is missing or unnecessary.
    b. Confidential, medical, or legal information must be kept in physical paper form in subrecipient designated locked file cabinet.
6. **Protection of personally identifiable information (PPII) will be housed per *1620POLPortection of Personally identifiable Information* policy.**

7. **Once retention is met, records and documentation are to be logged per CORE destruction procedure and destroyed.**
    a. All records retained beyond the mandatory retention period are subject to audit and/or review.

References

WIOA Policy 5403 Records Retention and Public Access
1620POL Protection of Personally Identifiable Information
1611TSK Digital Documentation
Office of the Secretary of State, Washington State Archive Local Government Common Records Retention Schedule (CORE) Ver4**. GS2011-184 rev. 3** Financial Transaction – General

1601POL PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Effective Date: November 1, 2020
Last Modified: January 11, 2021

Approved by XX

To provide services to job seekers and other WorkSource System customers, Olympic Workforce Development Council (OWDC) staff, subrecipients, contractors and partner collect and store a variety of protected, personal identifiable information (PPII). OWDC is committed to ensuring appropriate use, storage, and protection of PII from unauthorized use or disclosure.

1. **Confidential PPII Records** include entire record systems, specific records or individual identifiable data.
   - Records may include; documents, file content, computer files, letters, and other notations of records or data.
2. **Physical documents that contain PPII,** such as (participants' or family members') social security numbers, driver's license, birth certificates, or I-9 documents, must be stored in a confidential, locked file cabinet, only accessible by appropriate staff.
3. **Computers that have access to PPII data** must be locked when not in use and anytime a staff person is not attending their workstation.
4. **All staff with access to online systems containing PPII** must follow the procedures established by the administering agency. Electronic information and data are subject to all the requirements of this policy.
5. **Staff and subrecipients are required to ensure the privacy of all PPII and to protect such information from unauthorized disclosure.**
   a. Maintain PII in accordance with the standards for information security described in *TEGL 39-11.*
   b. Ensure that during the performance of each grant/contract, PPII has been obtained in conformity with applicable Federal and State laws governing the confidentiality of information.
6. **Failure to comply with the requirements identified in *TEGL 39-11* may result in disciplinary action.**
   a. Subrecipient's improper use of PPII for an unauthorized purpose, may result in the termination or suspension of the contract, the imposition of special conditions or restrictions, or other actions the OWDC deem necessary to protect the privacy of participants or the integrity of data.

DEFINITIONS:

Protected Personally Identifiable Information (PPII): The Office of Management and Budget defines as information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal identifying information that is linked to social security numbers (SSN), credit card numbers, bank account numbers, ages, birth dates, medical history, financial history and computer passwords.

REFERENCES:

TEGL 39-11 Handling and Protection of Personally Identifiable Information
2 CFR 200.79 Personally Identifiable Information
WorkSource System Policy 5403 Records Retention and Public Access

5502POL SUPPORTIVE SERVICES

Effective Date: December 15, 2020
Last Modified: January 13, 2021

Approved by XX

This policy applies to all Workforce Innovation and Opportunity Act (WIOA) Title I Adult, Dislocated worker, and Youth program participants and defines support service guidelines the Olympic Workforce Development Council, subrecipient, and service providers follow in accordance with local, state, and federal WIOA law.

1. **The OWDC subrecipients and service providers issue support services to participants to enable their participation in training and career services** *(TEGL 19-16, pg. 18).*
2. **Support service eligibility requires participation in a training or career service.**
3. **All services require entry into the statewide Management Information System(MIS) (Efforts to Outcomes (ETO)) at the time service is rendered.**
4. **Support services include, but are not limited to:** transportation, childcare, dependent care, housing, and assistance with uniforms, and other appropriate work attire, and assistance with work-related tools, including eyeglasses and protective wear.
5. **Youth Support Services include items listed in 1.c., as well as**; education testing, reasonable accommodations (as defined in WS 1019 Policy) for youth with disabilities and referrals to healthcare services.
6. **The OWDC authorized the purchase of technology if training and career participation and/or employment attainment requires information technology resources** (e.g., laptop, notebook, software programs, hotspot, data).
   i. Program managers are required to establish a fair and reasonable cost cap for technology resources. Resources must be selected to enable the client to participate in approved services at the lowest possible WIOA expense.
   ii. When an expense is greater than $50, program managers are required to maintain a list of purchased technology devices and recipient of the device (Attachment A).
   iii. If a participant does not positively exit the program (e.g., unsubsidized employment or entered a post-secondary education) they are required to return the technology to WIOA staff.
      1. Staff need to make three (3) attempts to recover equipment. Contact attempts include email, phone, or in-person interaction. Each attempt requires case notes in the participants ETO account.
      2. Program managers are required to reissue any returned devices after they have cleaned, and the memory wiped by electronics cleaner (e.g., Geek Squad). Any cost incurred from cleaning a device becomes part of the original support service with receipt, invoice, and case note.
      3. Software programs do not need to be returned, per licensing agreements.

iv. Subrecipients are responsible for creating their specific service delivery processes of technology support services.

v. Program staff are required to provide justification documentation and research other resources and add this information in case notes.

7. **WIOA funds cannot be used to pay fines or penalties.**
8. **The OWDC does not offer needs-related payments.**
   a. Needs-related payments are an ongoing payment to adults and dislocated workers who have exhausted their unemployment insurance.
9. **Subrecipient program managers and staff must include proper documentation for any allocation of WIOA Title I funds**
   a. A budget and financial plan must be created and used to identify need of supportive services.
   b. Program staff must review, determine, and adequately case note the need for the purchase. It must be clear that the program participant does not have any other means to obtain and there are no other resources available.
   c. Support Services entered into ETO are required to include case notes per *5800POL Case Notes* at or above OWDC standards.
   d. Acceptable documentation to obtain and include in participant file (see *1611TSK Digital Documentation*) include but are not limited; to invoices, receipts, and purchase orders.
10. **Program managers/supervisors and staff are required to utilize funds in a fair and equitable manner.**
11. **Staff shall work with community agencies to make allowable non-WIOA supportive services resources available to participants.**
12. **Other resources, or the lack of, is required to be recorded in case notes.**

References

1611TSK Digital Documentation
5600POL Case Note (Policy 25)
DOL Final Rule 20 CFR 680.900-970
Training and Employment Notice (TEN) 08-20 Public Workforce System Role in Reopening State and Local Economies, Section 4(e)(iii)(B)
WIN 0077 (Rev9) WorkSource Services Catalog
WIN 0078 (Rev1) Provision of Title I Follow-up and Supportive Services Before and After Exit for Adults and Dislocated Workers
WIOA Policy 5602 (Rev2) Supportive Services and Needs-Related Payments.
WIOA Policy 5607 (Rev4) Incumbent Worker Training
WIOA Sections 3(59), 134(d)(2)-(3), 129(C)(2)(G)

WIOA Title I Dislocated Worker Self-Attestation Form

Applicant Information:

Last Name:	First Name:		Middle Initial:
Address:	City:	State:	Zip:

Individuals entering WIOA services may self-attest to the information below:

1.	Are you low-income? (Please explain below)	☐ Yes	☐ No
Low-Income Explanation:			
2.	Are you legally entitled to employment within the U.S. and territories?	☐ Yes	☐ No
3.	Have you been terminated laid off, or received a notice of termination or layoff? (DW Categories 1 and 2).	☐ Yes	☐ No
4.	Are you a military service member who was discharged or released from service (under conditions other than dishonorable) or has received a notice of military separation (DW Category 5)	☐ Yes	☐ No
5.	Were you unable to continue employment due to your spouse's permanent change of military station, or did you lose employment as a result of your spouse's discharge from the military? (DW Category 6)	☐ Yes	☐ No
6.	Were you self-employed, but are unemployed as a result of general economic conditions in the community in which you reside? (DW Category 3)	☐ Yes	☐ No
7.	Are you a displaced homemaker? (DW Category 4) NOTE: A displaced homemaker is an individual who was dependent on the income of another family member and is no longer supported by the income of another family member.	☐ Yes	☐ No

	Dislocation Information	Current Employment Information
Separation Date		
Job Title		
Business Name		
Address		
City, State, Zip		

Self-Attestation Statement:

I certify that the information provided on this document is true and accurate to the best of my knowledge and belief. I understand that such information is subject to verification and further understand that the above information, if misrepresented or incomplete, may be grounds for immediate termination from any WIOA program and/or penalties as specified by law.

______________________________ ______________________

SIGNATURE OF PARTICIPANT **DATE**

Staff Verification Statement:

I certify that the individual whose signature appears above provided the information recorded on this form.

______________________________ ______________________

SIGNATURE OF STAFF **DATE**

Summary of 2020 Changes & Updates

To ensure Olympic Workforce Development Council (OWDC) policy compliance, below is a list of changes, updates, and additions made to the OWDC Policy Handbook in 2020. Decision to reorganization and review current policy is based on Training Program Manager and Program Analyst attended in July 2020, facilitated by Peabody Communications.

1. **New policy numbering convention.** Original policies were number in sequence of published date (e.g., 1-25).
    a. Identified three major categories: Administration, Fiscal, and Participation.
        i. Added Program Notice & Guidance.
    b. Categorized polices into one of the three major categories. (i.e., Policy 17 Dispute Resolution = Administration and Policy 4 Support Service = Participation).
    c. Administration Policies start in 1000's
    d. Fiscal Polices start in 3000's
    e. Participant Polices start in 5000's
    f. Program Notices & Guidance 7000's
2. **Policy versus procedure and task**
    a. Polices are currently undergoing review to identify the administrative directives (policy), versus staff activities (procedure is two or more staff, task is one staff).
    b. Policies (POL) are at the hundredth level (i.e., 1100POL Complaint and Grievance).
    c. Procedure (PRO) are at the tenth level (i.e., 1110PRO How to file a complaint or grievance).
    d. Tasks (TSK) are at the single level (i.e., 1111TSK Filing a complaint with EO).
    e. By numbering in this manner, it allows for addition policy, procedures, and tasks to be added where and when necessary but also by major categories grouping.
3. **Updated**
    a. Revision of Policy 2 Records Retention
        i. Added Statewide Case Management System Information Access
        ii. Added PPII Policy and Digital Documentation Task
    b. Supportive Service Policy to include technology resources as an allowable support service.
    c. Combined all income validation under one policy: Income Validation
        i. Policy 13 Definition of Dependent for Determining Family Size for WIOA Youth
        ii. Policy 14 Definition of Family for Determining Family Income for Youth

      iii. Policy 15 Definition of Includable and Excludable Income for Determining Family Income for Youth & Adult Program Eligibility
      iv. Att. 10(B) Lower Living Income Standards Level (LLISL)
   d. Combined all service policies under one policy: Individual Training and Support Services (ITSS). Procedures and task for individual related subject were created where applicable.
      i. Policy 4 Supportive Services and Needs-Related Payments
      ii. Policy 6 Individual Training Accounts
      iii. Policy 19 Incumbent Worker Training
      iv. Policy 20 Follow-up Services
      v. Policy 25 Case Note Policy
   e. Rewrite or elimination of outdated attachments.
      i. Removed Att. 9(A) Kitsap County Code Chapter 4.116 Purchasing Procedure and added link as this is not OWDC document.
      ii. Updated to Att. 11(B) Dislocated Worker and Att. 12(C) Youth Self-Attestation forms.
      iii. Removed Att. Monitoring Checklist and Att. Monitoring Tools
         1. Added link to ESD Monitoring Team Checklist that are updated, maintained, and provided to us by the ESD Monitoring Team.
      iv. Updated Adult and DW application forms.
      v. Updated Equal Opportunity, Right to File Discrimination Grievance , and Data Sharing Agreement.
   f. Combined eligibility policies under one: Program Eligibility and created procedures for individual program requirements.
      i. Policy 10 Adult Program Eligibility
      ii. Policy 11 Dislocated Worker Eligibility
      iii. Policy 12 Youth Eligibility
   g. Added Data Validation Policy and combining applicable attachments.
      i. Att. 10(A) Adult Data Elements
      ii. Att. 10(C) Data Validation Source Document Requirements
      iii. Att. 12(A) Data Validation Source Documents Youth
      iv. Att. 12(b) Data Elements Youth

4. **Additions**
   a. 90-Day Hold Gap Service Program Notice
   b. COVID Pandemic Waivers Notice
   c. Virtual Enrollment Guidance
   d. Authorization of 14-day service entry delay Policy
   e. Protected Personal Information (PPII) Policy

   f. Digital Documentation Task in response to OWDC going paperless.

5. Updated OWDC Policy Handbook will be made available on OWDC website, by request.
   a. Further additions or changes will be documented as Policy Reboot (Reorganization and Review) project completion is due in September 2021.

Washington State Technical Advisory Group - November 2020

SUMMARY

Issue

The magnitude and duration of the economic recovery is expected to be severe and long-term. Without intentional investments to build an inclusive, equitable economic recovery, deeply rooted demographic and geographic inequalities that existed prior to COVID-19 will intensify and put an unprecedented number of Washingtonians at risk of poverty and its intergenerational consequences. The purpose of the Technical Advisory Group (TAG) is to define and measure equitable economic recovery to guide Washington state toward and equitable and inclusive economic economy over the long-term.

How Leaders Can Take Supportive Action

1. Embed a vision for equitable economic recovery and corresponding economic trigger and dashboard within Governor Inslee's Safe Start efforts.
2. Encourage partnership with Results WA to align vision for an equitable recovery and economy with their updated outcomes framework.
3. Elevate the work among cabinet-level colleagues and the Legislature.

BACKGROUND

The magnitude and duration of the economic recovery will be severe and long-term. With the steep rise in unemployment, emerging estimates show that poverty could reach its highest level in 50 years[1] and significantly deepen racial and geographic inequality. Without intentional investments to build an inclusive, equitable economic recovery, deeply rooted demographic and geographic inequalities that existed prior to COVID-19 will intensify and put an unprecedented number of Washingtonians at risk of poverty and its intergenerational consequences.

DSHS|ESA recently co-lead Governor Inslee's Poverty Reduction Workgroup and the creation of a 10-Year Plan to Reduce Poverty & Inequality in Washington state. This plan serves as a blueprint for how to rebuild our economy in a more equitable and inclusive way. As an outgrowth of PRWG's work, DSHS convened a technical work group to create a definition of "equitable economic recovery" that moves beyond traditional markers of recovery (e.g., aggregate unemployment rates, expansion of national/state GDP) toward a more inclusive definition and measure that includes concepts of just and equitable employment, economic inclusion, and no racial and geographic inequality. The intention of this effort is to hold the state accountable to targeted, sufficient, and sustained investments in an equitable economic recovery from COVID-19 and long-term, inclusive and robust economic growth.

The workgroup consists of staff from DSHS's RDA and ESA divisions, Commerce, ESD, DCYF, DOH, HCA, and five organizations with missions strongly aligned to the state's poverty reduction efforts – National Urban Indian Family Coalition, Front & Centered, Civic Commons, Washington State Budget & Policy Center, and the University of Washington's West Coast Poverty Center *(see Appendix A for full list)*.

[1] Parolin, Z. & Christopher Wimer (April 2020) Forecasting Estimates of Poverty during the COVID-19 Crisis. Center on Poverty and Social Policy at Columbia University Policy Brief available for download athttps://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/5e9786f17c4b4e20ca02d16b/1586988788821/Forecasting-Poverty-Estimates-COVID19-CPSP-2020.pdf

PURPOSE & GOAL

Goal: To establish state accountability toward an equitable economic recovery from COVID-19 and long-term, inclusive economic growth.

Purpose: The purpose of TAG's work is as follows:

1. To create a shared vision and definition for what an "equitable, inclusive recovery and economy" means *(see Appendix B for equitable recovery framework)*;
2. To create state accountability toward said vision by measuring, tracking, and publicizing progress over the long-term;
3. To ensure the expertise, stories, and experience of people and communities most affected by poverty and inequality are included as data and the primary audience to be accountable to; and
4. To create an economic trigger in the short-term to guide policy, program, and funding decisions toward equitable economic recovery and inclusive, long-term economic growth during the upcoming 2021-23 budget development and 2021 legislative session *(see Appendix C for proposed methodology)*.

OPPORTUNITIES FOR ACTION & ALIGNMENT

A measure of equitable economic recovery should be used in decision-making related to the state's economic recovery efforts, including in Governor Inslee's Economic Recovery and Safe Start Planning Groups, as well as executive and legislative branch policy, program, and funding decisions. As these efforts are just emerging, it is important to align them and embed a strong commitment for action on equity and the inclusion of people most affected by the COVID-19 crisis in decision-making.

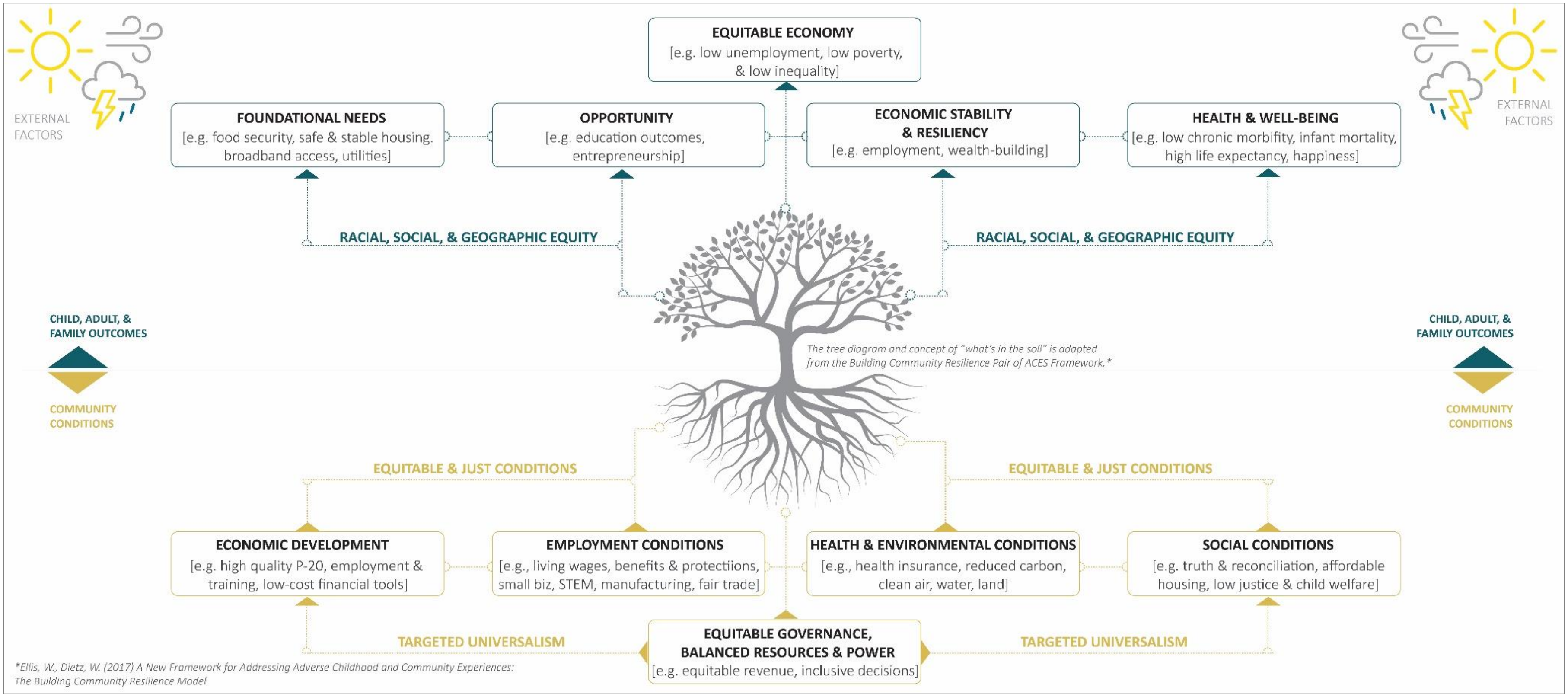
State leaders can support action toward equitable economic recovery by:

- Embedding a vision for equitable economic recovery and corresponding economic trigger within Governor Inslee's Safe Start efforts.
- Expanding the Economic Recovery Dashboard developed by Commerce to include measures that reflect both community conditions and outcomes for children, adults, and families.
- Encouraging partnership with Results WA to align vision for an equitable recovery and economy with their updated outcomes framework.
- Elevating the work among cabinet-level colleagues and the Legislature.

APPENDIX A: TAG Membership

Michael Brown (Civic Commons)
Vishal Chaudry (HCA)
Janeen Comenote (NUIFC)
Brianne Firth (ESD)
Deric Gruen (Front & Centered)
Alice Huber (DSHS|RDA)
Kim Justice (Commerce)
Tedd Kelleher (Commerce)
Shannon Latiff (ESD)
Barb Lucenko (DSHS|RDA)
David Mancuso (DSHS|RDA)
Aurora Martin (Front & Centered)
Lisa Nicoli (DSHS|ESA|EMAPS)
Lori Pfingst (DSHS|ESA)
Tim Probst (ESD)
Shane Riddle (DSHS|ESA|EMAPS)
Amy Sullivan (DOH)
Jennifer Tran (Budget & Policy Center)
Vickie Ybarra (DCYF)

APPENDIX A: Framework for an Equitable, Inclusive Economy



APPPENDIX B: Constructing an Economic Trigger to Guide Equitable Economic Recovery

DATA BRIEF

UNIVERSITY OF WASHINGTON WEST COAST POVERTY CENTER
Jennie Romich, PhD & Callie Freitag, PhD Student

OVERVIEW

An index combines indicators of specific factors in order to capture a larger idea. In the case of the TAG, we want an index that shows Washingtonian's material and social well-being. This includes indicators of wealth, income sufficiency (above poverty line), food security, housing stability, and access to insured medical care. This well-being index will complement the labor market and health dashboards guiding the state's recovery efforts.

An index combines indicators of specific factors in order to capture a larger idea. For a well-being index, individual data components would ideally have the following features:

- Be available immediately and easy to update quarterly;
- Represent Washington State with a high level of detail by geography and race/ethnicity: and
- Include questions on all indicators necessary to grasp the size, scope, and experience of poverty and economic hardship in Washington state.

Existing data sources vary with the extent to which they are able to meet these criteria. Even used in combination, existing data is still limited in critical ways. For instance, common data sources fail to include or meaningfully disaggregate American Indian and Alaska Native populations. Collecting supplemental data can help fill in these gaps. We have identified three options for constructing this index, arranged below from least to most resource-intensive.

DATA OPTIONS FOR CONSTRUCTING AN EQUITABLE RECOVERY INDEX

Option 1: Use Existing Data. We have identified three promising data sources – the Household PULSE Survey, the American Community Survey (ACS), and state administrative data – which could be used in combination to produce an index. Each source has its own benefits and drawbacks *(see Appendix)*. These limitations could be somewhat addressed through combining the data sources throughout the reporting process *(see "Reporting & Accountability" section below)*.

Option 2: Use Existing Data and Collect Qualitative Evidence. Per the charge of the TAG, qualitative evidence from peoples' lives will be a necessary complement to the index. Qualitative data and stories could fill in the gaps left by existing data to provide insight on how households are confronting the decisions, risks, and tradeoffs throughout the pandemic and economic recovery.

Option 3: Collect Equitable Data. The final option would be to design a survey to collect data that reflects the priorities and needs of the PWRG and the 10 Year Plan. One option for data collection would be to administer the PULSE survey for Indigenous Washingtonians and other communities not well represented by existing PULSE data. Another option would involve designing a Washington-specific set of indicators such as New York City's Poverty Tracker.

Analysis of Proposed Options

PROPOSED OPTIONS	GEOGRAPHIC BREAKDOWNS	AVAILABLE BY 12/20*	RACI AL BREAKDOWNS				COST
			Asian	Black	Indigenous	Latino	
#1: Existing Data	Yes	Yes	●	●	●	●	Lowest
#2: Existing + Qualitative	Yes	Maybe	●	●	●	●	Moderate
#3: Collecting Data	Yes	Unlikely	●	●	●	●	Highest

● = data available | ● = data partially available | ● = data not available

**It is unknown whether the PULSE survey will continue beyond November2020*

RECOMMENDED APPROACH

We recommend a triangulated approach using existing PULSE and ACS data to track equitable economic recovery, paired with a strong accountability mechanism to people and communities most affected by the economic downturn (Option 1). Specifically:

- PULSE data will be used to construct a ***monthly or quarterly*** index that captures the impact of the economic downturn on key foundational needs related too poverty and inequality (e.g., food security, housing, employment, health, education)
- The PULSE data will be used in coordination with ACS data to bolster racial and ethnic estimates for the quarterly data and also create an ***annual*** index that capture similar components, but with greater racial, ethnic, and geographic detail and increased ability to track population-level trends
- To account for limitations in the data in the short-term, an accountability group (TBD) will be identified (e.g., Results WA) or created (e.g., Communities of Opportunity is a potential model for state) to ensure people most affected by the downturn and/or invisible in the data are able to share their story and shape understanding and solutions
- The accountability group created will meet with the Governor's Office and the Legislature on a quarterly basis to track equitable recovery index, and will release an annual report in October summarizing progress toward long-term equitable recovery goals

APPENDIX: Summary of Data Sources

Household PULSE Survey. The Household Pulse Survey releases close-to-real-time data on how the COVID-19 pandemic is affecting households. While it does not ask about income or wealth, it does collect information on employment, food insecurity, housing security, and health insurance coverage. Most crucially, the Household PULSE Survey reports only limited racial and ethnic categories that do not reflect the diverse populations in Washington State, and it does not report sub-state geographies. In particular, this option would provide less accurate information about the well-being of Indigenous Washingtonians, which is a major limitation.

American Community Survey. The American Community Survey is a nationally representative survey of households that covers a wide range of topics, including employment and income. It is known for being able to produce geographically detailed estimates due to its large sample size. The ACS offers more detailed race and ethnicity categories than the PULSE survey. However, its estimates are available only on an annual basis the year following data collection, so it lags current conditions.

Administrative Data. Merging state administrative data from state agencies can provide a powerful resource for examining employment, earnings, poverty, and benefit use in fine-grained geographic detail. Developing agency capacity to merge and analyze data from across agencies would allow for quick turnaround analysis on Washington workers covered by Unemployment Insurance (UI) and people who receive benefits through DSHS. Crucially, administrative data does not cover everybody who lives and works in Washington State. People who work in jobs not covered by UI – like those who work in border counties or are independent contractors – may show up as unemployed in the data. Children are also likely to be missing from RDA's administrative data unless they receive DSHS benefits.

Component	Household PULSE Survey	American Community Survey	Administrative Data
Geographic detail	• State-level • Not county-level	• State-level • County-level for counties with larger populations	• Washington State only • Finer than county-level detail
Race, Ethnicity, and Indigenous Tribal Affiliation	• Only reports the following categories: White, Black, Asian, and Hispanic/Latinx, Other (which includes Multi-Race).	• High detail within Hispanic/Latinx and Asian groups • Data reported by tribal affiliation of questionable quality	• Rough approximations of white, Black, Hispanic, and Asian groups possible
Timeliness	• Weekly data available April 23-July 21, 2020. • Phase 2 of data collection began August 19 and ends October 26, 2020. No news of Phase 3 yet. May not be continued.	• Yearly data available in September the after collection (e.g. 2019 data released in September 2020)	• Dependent on RDA capacity and infrastructure

Employment (Among Working-Able Adults)	• Whether worked for pay and sector within last 7 days • Detailed reasons for not working, including coronavirus-specific and disability-related questions	• Whether worked for pay within last 7 days • Limited reasons for not working (layoff, illness, in school, or "could have gone to work")	• Whether worked in UI-covered job each quarter
Income	• 2019 income bracket (overall) • Whether lost income since March 13 • Income sources used in last 7 days (regular employment income, credit cards, savings, etc.)	• 2019 income by components (earnings, transfers, etc.)	• Quarterly and annual earnings in UI-covered jobs
Wealth	• Not explicitly asked • Homeownership (with and without mortgages) could serve as a proxy indication of wealth	• Not explicitly asked • Homeownership (with and without mortgages) could serve as an indication of wealth	• N/A
Poverty	• Not calculable because income not included • Food and housing insecurity could be use as proxy measures	• Ratio of income to poverty level • Detailed income and household questions support the Census' Supplemental Poverty Measure (SPM), which takes into account geographic cost-of-living and income from government transfers	• Readily available for DSHS clients • Possible to construct with earnings and estimated household size for workers in UI-covered jobs
Food Insecurity	• Whether enough of the kinds of food the household wants • Whether children were eating enough • Why not enough food (includes couldn't afford, afraid to go to store) • Where food purchased • Confidence about household's ability to	• Does not ask about food insecurity. • Collects information on SNAP use.	• N/A

	afford food in next 4 weeks		
Housing Insecurity	• Whether paid last month's rent or mortgage on time • Confidence in ability to pay rent next month	• Rent or mortgage cost can be used in combination with income questions to construct measures of housing cost burden	• N/A
Health Insurance and Medical Care	• Whether covered by health insurance • Detailed coverage types • Whether delayed care due to COVID	• Whether covered by health insurance • Whether insurance is from a public source	• N/A

OTHER POSSIBLE REFERENCES

National Congress of American Indians Policy Research Center - Data Resources. http://www.ncai.org/policy-research-center/research-data/data-resources

NCAI Policy Research Center. (2016). Disaggregating American Indian & Alaska Native data: A review of literature. Washington DC: National Congress of American Indians. http://www.ncai.org/DataDisaggregationAIAN-report_5_2018.pdf

WorkSource Kitsap, Clallam, & Jefferson Performance Report

1/4/2021 8:39:04 AM
Earliest Refresh Date

Office	Program	Current	QTR PE	QtrAddTarPE	Percentage PE	QTR Exits	QtrAddTarExit	Exit %age	QTR Placements	QtrAddTarPlacement	Placement Rate	Placements %age
Clallam	Adult	24	35	38	92.11%	11	21	52.38%	11	15	100.00%	73.33%
Clallam	DW	11	25	27	92.59%	14	15	93.33%	12	11	85.71%	109.09%
Clallam	DWIE	0	1	6	16.67%	1	4	25.00%	1	4	100.00%	25.00%
Jefferson	Adult	7	10	14	71.43%	3	6	50.00%	3	5	100.00%	60.00%
Jefferson	DW	12	14	12	116.67%	2	6	33.33%	2	4	100.00%	50.00%
Jefferson	DWIE			4			3			2		
Kitsap	Adult	13	27	40	67.50%	14	20	70.00%	13	15	92.86%	86.67%
Kitsap	DW	43	58	33	175.76%	15	10	150.00%	14	8	93.33%	175.00%
Kitsap	DWIE	2	6	9	66.67%	4	8	50.00%	4	6	100.00%	66.67%
Total		**112**	**176**	**183**	**96.17%**	**64**	**93**	**68.82%**	**60**	**70**	**93.75%**	**85.71%**

Office	Program	Actual Expenditure	QtrAdd TarExp	Expenditures %age
Clallam	Adult	$43,460	118,392	36.71%
Clallam	DW	$36,392	98,294	37.02%
Clallam	DWIE	$3,348	22,269	15.03%
Jefferson	Adult	$10,124	27,092	37.37%
Jefferson	DW	$8,862	32,442	27.32%
Jefferson	DWIE		15,015	
Kitsap	Adult	$3,324	77,436	4.29%
Kitsap	DW	$21,340	75,556	28.24%
Kitsap	DWIE	$18,628	43,575	42.75%
Total		**$145,478**	**510,071**	**28.52%**

Office Name	INDIVIDUALIZED	SUPPORT	TRAINING	Total
Clallam	**14**	**3**	**44**	**61**
Adult	6	1	28	35
DW	8	2	15	25
DWIE			1	1
Jefferson	**11**		**12**	**23**
Adult	5		5	10
DW	6		7	13
Kitsap	**36**	**1**	**53**	**90**
Adult	3	1	22	26
DW	33		25	58
DWIE			6	6
Total	**61**	**4**	**109**	**174**

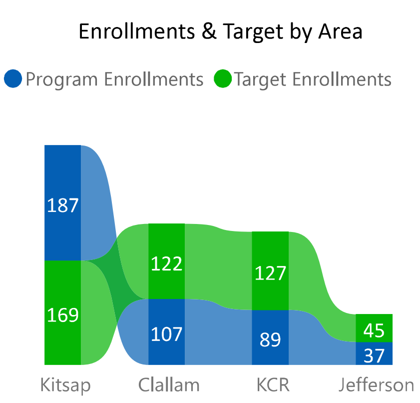
Office	Outcomes
WorkSource Affiliate Jefferson County	**5**
Self Employment	2
Unsubsidized Employment	3
WorkSource Clallam County	**26**
Entered a Post Secondary Education	1
Exit Exclusion	1
Self Employment	1
Unsubsidized Employment	23
WorkSource Kitsap County	**33**
Cannot Locate	2
Self Employment	3
Unsubsidized Employment	28
Total	**64**

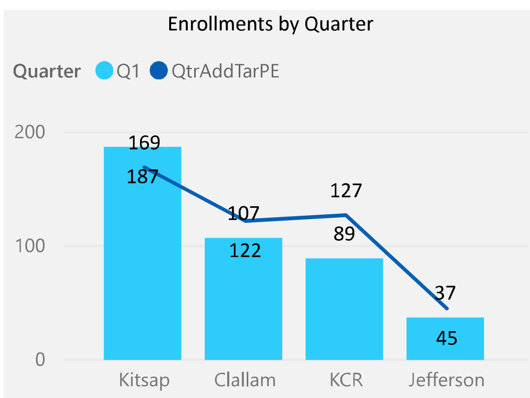
WIOA Formula Performance Report

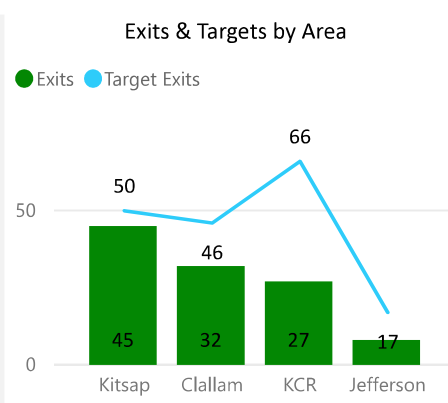
1/4/2021 8:39:04 AM

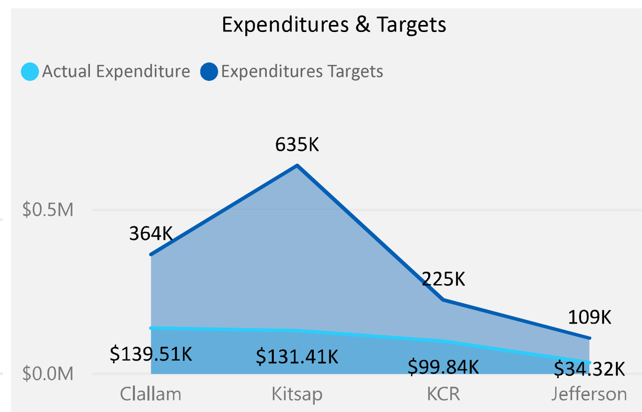
Earliest Refresh Date

Office	Program	Current	Program Enrollments	Target Enrollments	PE %age	Exits	Target Exits	Exit %age	Placements	Target Placements	Placement Rate	Placements %age	Actual Expenditure	Target Expenditures	Expenditures %age
Clallam	Adult	24	35	38	92.11%	11	21	52.38%	11	15	100.00%	73.33%	$43,460	118,392	36.71%
Clallam	DW	11	25	27	92.59%	14	15	93.33%	12	11	85.71%	109.09%	$36,392	98,294	37.02%
Clallam	DWIE	0	1	6	16.67%	1	4	25.00%	1	4	100.00%	25.00%	$3,348	22,269	15.03%
Clallam	Youth	40	46	51	90.20%	6	6	100.00%	5	3	83.33%	166.67%	$56,310	124,928	45.07%
Jefferson	Adult	7	10	14	71.43%	3	6	50.00%	3	5	100.00%	60.00%	$10,124	27,092	37.37%
Jefferson	DW	12	14	12	116.67%	2	6	33.33%	2	4	100.00%	50.00%	$8,862	32,442	27.32%
Jefferson	DWIE			4			3			2				15,015	
Jefferson	Youth	10	13	15	86.67%	3	2	150.00%	2	1	66.67%	200.00%	$15,338	34,228	44.81%
KCR	Adult	37	55	80	68.75%	18	40	45.00%	14	30	77.78%	46.67%	$64,019	102,680	62.35%
KCR	DW	19	24	30	80.00%	5	18	27.78%	4	12	80.00%	33.33%	$26,292	40,684	64.62%
KCR	DWIE	6	10	12	83.33%	4	7	57.14%	3	6	75.00%	50.00%	$9,531	21,738	43.84%
Kitsap	Adult	13	27	40	67.50%	14	20	70.00%	13	15	92.86%	86.67%	$3,324	77,436	4.29%
Kitsap	DW	43	58	33	175.76%	15	10	150.00%	14	8	93.33%	175.00%	$21,340	75,556	28.24%
Kitsap	DWIE	2	6	9	66.67%	4	8	50.00%	4	6	100.00%	66.67%	$18,628	43,575	42.75%
Kitsap	Youth	56	68	72	94.44%	12	8	150.00%	8	4	66.67%	200.00%	$88,121	194,080	45.40%
Totals		**280**	**392**	**443**	**88.49%**	**112**	**174**	**64.37%**	**96**	**126**	**85.71%**	**76.19%**	**$405,089**	**1,028,4...**	**39.39%**









Kitsap Community Resources Performance Report

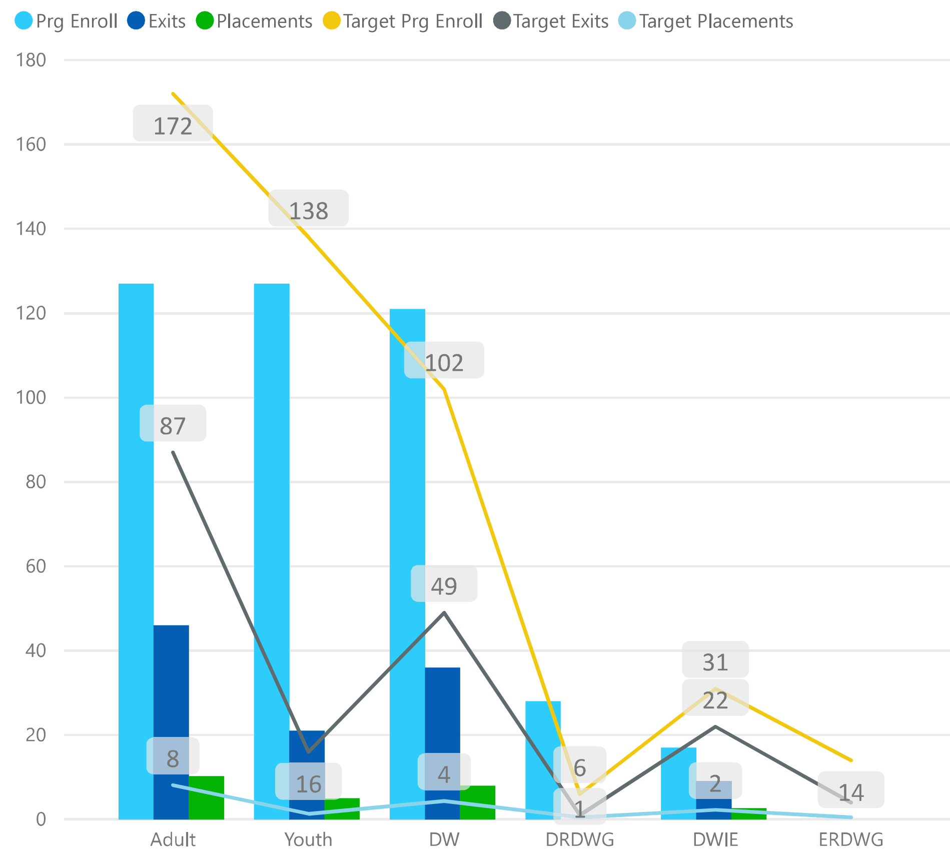
1/4/2021 8:39:04 AM
Earliest Refresh Date

Program	Current	Program Enrollments	Target Enrollments	PE %age	Exits	Target Exits	Exit %age	Place ments	Target Placements	Placement Rate	Placements %age
Adult	37	55	80	68.75%	18	40	45.00%	14	30	77.78%	46.67%
DW	19	24	30	80.00%	5	18	27.78%	4	12	80.00%	33.33%
DWIE	6	10	12	83.33%	4	7	57.14%	3	6	75.00%	50.00%
Totals	**62**	**89**	**122**	**72.95%**	**27**	**65**	**41.54%**	**21**	**48**	**77.78%**	**43.75%**

Program	Actual Expenditure	Target Expenditures	Expenditure s %age
Adult	$64,019	102,680	62.35%
DW	$26,292	40,684	64.62%
DWIE	$9,531	21,738	43.84%
Totals	**$99,842**	**165,102**	**60.47%**

Program Of Enrollment	INDIVIDUA LIZED	SUPPORT	TRAINING	Total
Adult	9	18	25	**52**
DW	4	7	9	**20**
DWIE	6		4	**10**
Total	**19**	**25**	**38**	**82**

Reason for Completion	Outcomes
Unsubsidized Employment	20
Self Employment	1
Employability Enhancement	4
Cannot Locate	2
Total	**27**



WorkSource Kitsap, Clallam, & Jefferson Youth Performance Report

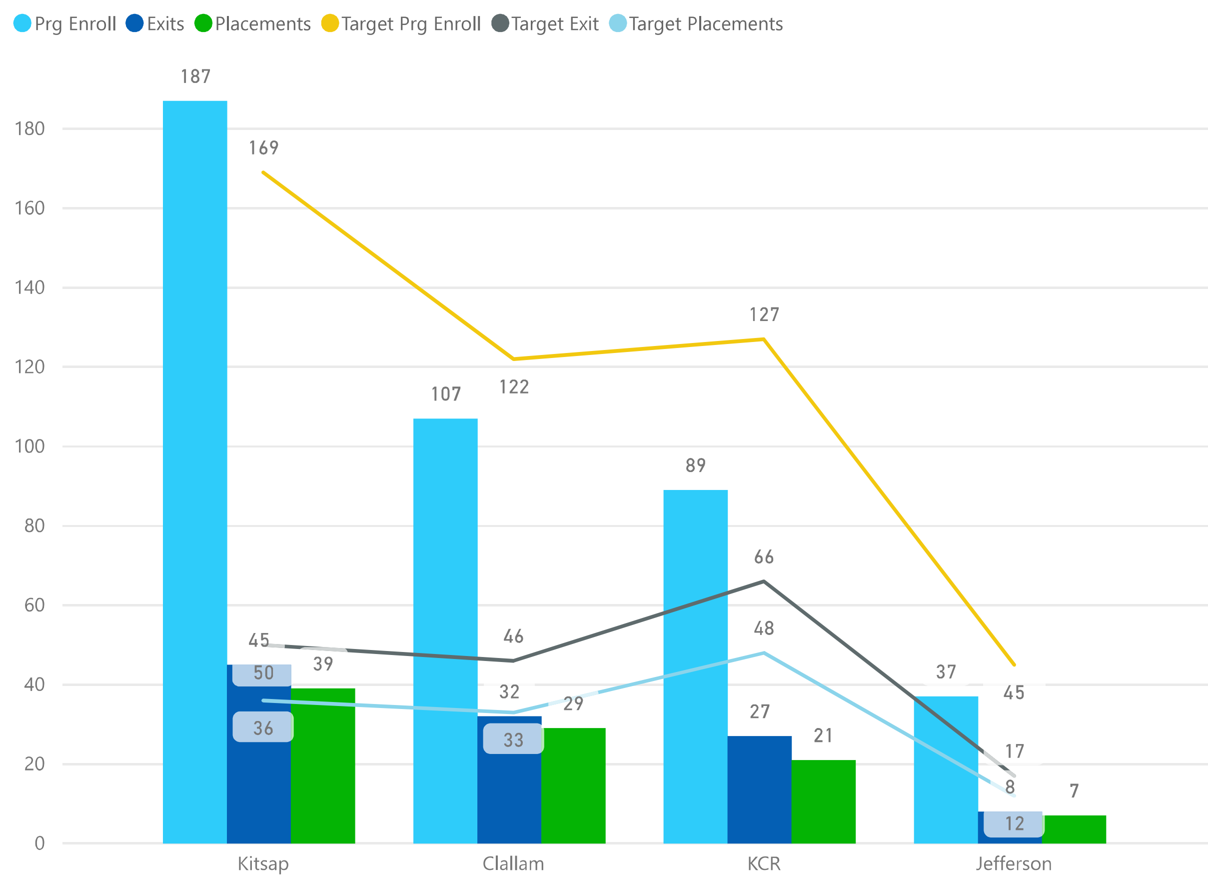
1/4/2021 8:39:04 AM

Earliest Refresh Date

Office	Current	Program Enrollments	Target Enrollments	PE %age	Exits	Target Exits	Exit %age	Place ments	Target Placements	Placement Rate	Placements %age	Expend iture	Tar Expend
Clallam	40	46	51	90.20%	6	6	100.00%	5	3	83.33%	166.67%	$56,310	124,928
Jefferson	10	13	15	86.67%	3	2	150.00%	2	1	66.67%	200.00%	$15,338	34,228
Kitsap	56	68	72	94.44%	12	8	150.00%	8	4	66.67%	200.00%	$88,121	194,080
Totals	**106**	**127**	**138**	**92.03%**	**21**	**16**	**131.25%**	**15**	**8**	**71.43%**	**187.50%**	**$159,...**	**353,236**

Office Name	INDIVIDUALIZED	SUPPORT	TRAINING	Total
Clallam	10	13	22	45
Jefferson	3	1	10	14
Kitsap	6	6	56	68
Total	**19**	**20**	**88**	**127**

Reason for Completion	Outcomes
Unsubsidized Employment	**14**
WorkSource Kitsap County	7
WorkSource Clallam County	5
WorkSource Affiliate Jefferson County	2
Entered a Post Secondary Education	**4**
WorkSource Kitsap County	2
WorkSource Affiliate Jefferson County	1
WorkSource Clallam County	1
Cannot Locate	**2**
WorkSource Kitsap County	2
Self Employment	**1**
WorkSource Kitsap County	1
Total	**21**



Program	Enrollments	Current
Adult	127	81
DRDWG	28	28
DW	121	85
DWIE	17	8
Youth	127	106
Total	**420**	**308**

WIOA Disaster Relief Grants Performance Report

1/4/2021 8:39:04 AM
Earliest Refresh Date

Office	Program	Current	Program Enrollments	Target Enrollments	PE %age	Exits	Target Exits	Exit %age
KCR	ERDWG			5			1	
Kitsap	DRDWG	28	28	6	466.67%		1	
Kitsap	ERDWG			9			3	
Totals		**28**	**28**	**20**	**140.00%**		**5**	

Office	Program	Current	Placements	Target Placements	Placement Rate	Placements %age	Actual Expenditure	Target Expenditures	Expenditures %age
KCR	ERDWG			0				60,000	
Kitsap	DRDWG	28		1				145,674	
Kitsap	ERDWG			2				98,750	
Totals		**28**		**3**				**304,424**	

Washington State WorkSource

System Performance Dashboard

Seekers served | Employers served | Exits & Wages | Definitions

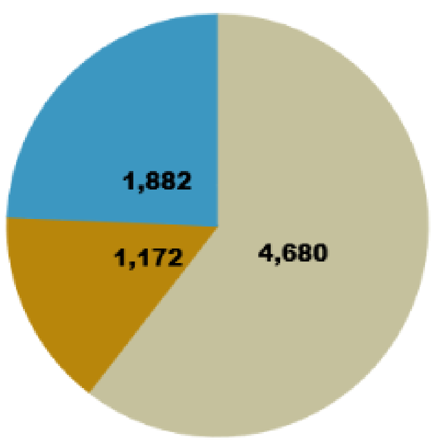
Service Location
WDA 01 - Olympic

Time Frame
Rolling 4-quarters ending with
PY 2020 Q1 (Jul - Sep 2020)

Data prior to the beginning of PY16Q1 (July 1, 2016) is not reflected in this dashboard. Therefore, the first quarter with complete rolling 4-quarter data is PY2016 Q4 (the quarter ending on June 30, 2017).

Total seekers 7,734

Self served only
Both types of service
Staff assisted only



All seekers served

Self-service customers		5,852
Staff-assisted customers		3,054
Self served only	60.51%	4,680
Both types of service	15.15%	1,172
Staff assisted only	24.33%	1,882

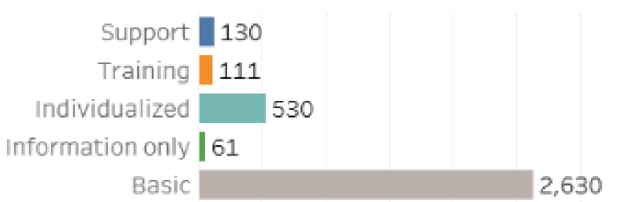
New to WorkSource?

New	49.54%	4,170
Returning	50.46%	4,247

WorkSourceWA job applicants

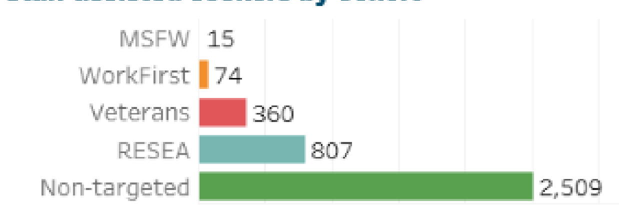
Seekers with job applications	2,018

Staff assisted seekers served by service type*



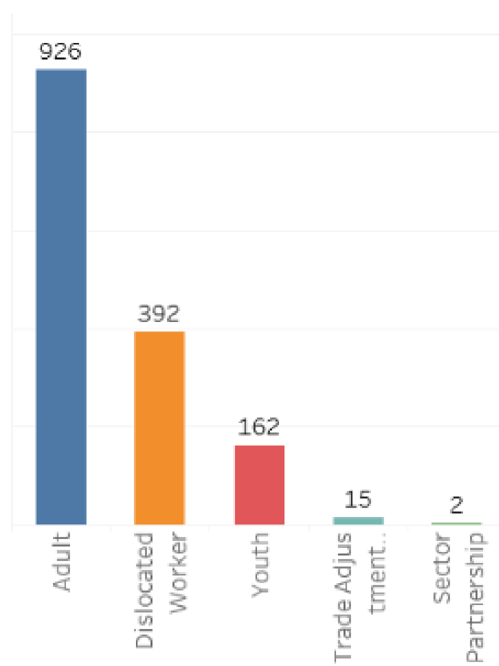
*Information only and support services do not trigger or extend participation.

Staff assisted seekers by cohort



Seekers served by program enrollment

Staff-assisted seeker counts by service location, regardless of enrollment location



Data last refreshed: 12/16/2020 5:08:27 PM

Washington State WorkSource
System Performance Dashboard

Seekers served | **Employers served** | Exits & Wages | Definitions

Location
WDA 01 - Olympic

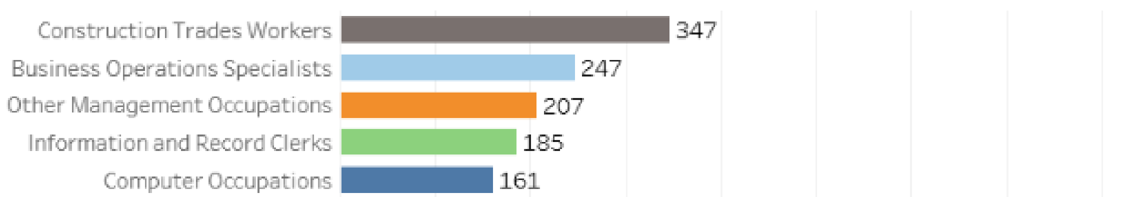
Time Frame
Rolling 4-quarters ending with
PY 2020 Q1 (Jul - Sep 2020)

Employers using WorkSource

Employers	506
Job orders	4,091

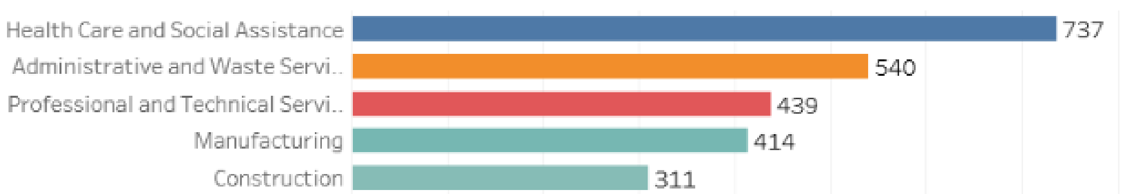
Employers receiving staff-assisted services	179

Top 5 jobs in demand



Number of job postings by 3-digit ONET

Top 5 industry sectors posting jobs



Number of job postings by 2-digit NAICS

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
PO Box 9046 • Olympia WA 98507-9046

January 6, 2021

RE: Acknowledging Your Team's Excellent Work Last Year

Dear Elizabeth,

With the extreme challenges that 2020 brought, I didn't want the year to end without acknowledging your unwavering support for the communities served by your WDC. It is important to take a moment to recognize your performance on the outcomes shown below from your WIOA Title I grants and discretionary contracts. Please thank your entire team for the hard work and dedication they put into finding solutions and support for those most affected by the year's struggles.

WDC 01 Quarter Ending Sep 30, 2020 (Mar 31, 2020 for employment outcomes)

Goals set pre-Covid

Outcome	Target	Actual
WIOA Adult Enrollments	85	140
WIOA Adult Employments	122	481
WIOA DW Enrollments Including RRIE	89	77
WIOA Youth Enrollments	121	119

Through quarterly narratives and team meetings, we noted that your dedication to adapting to a virtual landscape has proven successful. Notably, your organization of monthly WIOA sub-recipient peer meetings have really contributed to innovative ideas to maintain enrollments in all programs. Way to go! If we could offer additional technical service in the areas of in-person training, assisting with shifts in need in your communities and how to reassess placement strategy, or others, please just let us know. Our goal is to support your local success!

We are always looking for successful practices to share with the rest of the workforce development system. If you would like to share any tools or practices with your peers across the state, please send them to ESDGPWorkforceInitiatives@esd.wa.gov. Also, let us know in that message if you would be willing to present during the next quarterly peer-to-peer teleconference. By sharing your successes, you can help the entire state continue to pursue and achieve excellence. While we have already held our Q3 peer-to-peer call, we are already planning for our Q4 meeting scheduled for ***March 15, 2021.***

If you would like more information, please let me know. Congratulations again on your success, and thank you for serving Washington's employers, workers, jobseekers, and youth.

Sincerely,

Tim Probst
Grants Director
360-790-4913

Attachment 12.a

Olympic Consortium Board Meeting (4th Fridays)		10 a.m. to 12:00 p.m.	Zoom until further notice
Exec OWDC Meeting (4th Tuesdays)		10 a.m. to 12:00 p.m.	Zoom until futher notice
OWDC Full Meeting (2nd Tuesdays)		9:00 a.m. to 1:30 p.m.	Zoom from 9 to 11:30 until further notice

2021

January

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

OWDC Executive Committee Meeting

Tuesday, April 27, 2021 10:00 a.m. – 12:00 noon
Location: Via Zoom https://zoom.us/j/97725906953

A G E N D A

1. Call to Order
2. Approval of Agenda
3. Approval of Meeting Minutes from Jan. 26, 2021 (Attachment 3.a) pg. 2

Discussion

4. Self-sufficiency Calculator (Attachment 4.a) pg. 5
5. Dr. Kimberly Hendricks WACTA Spring Conference
6. Shared Work (Attachment 6.a) pg. 17

Updates

7. Monitoring updates
8. EO Monitoring / EO Training
9. Budget Procedure
10. Sector Work Updates
11. Council Member, New
12. Q3 Jan. – Mar. 2021 Performance Report (Attachment 12.a) pg. 22
13. Employment Security Letter (Attachment 13.a) pg. 23
14. Calendar (Attachment 14.a) pg. 24

Next Meeting – Tuesday, July 27, 2021 Via Zoom

OLYMPIC WORKFORCE DEVELOPMENT COUNCIL (OWDC)
EXECUTIVE COMMITTEE SUMMARY
January 26, 2021

ATTENDANCE: Marilyn Hoppen, Aschlee Drescher, Dave McMahan, Jessica Barr, Julie Hatch, Monica Blackwood, Michael Robinson
Staff: Elizabeth Court, Alissa Durkin, Doug Washburn

The Olympic Workforce Development Council's (OWDC) Executive Committee meeting was held on Tuesday, January 26, 2021 via Zoom.

APPROVAL OF SUMMARY

The Executive Committee's Meeting Agenda was approved as follows:

> **ACTION: Dave McMahan moved to approve the Agenda as presented. Motion was seconded by Jessica Barr.**
> **<u>Motion carried unanimously.</u>**

The Executive Committee's Meeting Minutes were approved as follows:

> **ACTION: Dave McMahan moved to approve the July 14, 2020 Executive Committee Minutes as presented. Motion was seconded by Jessica Barr.**
> **<u>Motion carried unanimously.</u>**

UPDATES

External Monitoring

- State monitors will begin monitoring PY19 the week of March 15^{th}.
- Monitoring will be 100% virtual.
- Documents and participant files will be uploaded onto secure portal.
- The monitoring entrance letter for the monitoring review will be sent to us in the coming weeks.

OWDC Policy Handbook Updates

- Records/Retention policy increased retention from 3 to 6 years to follow county retention policies.
- Existing Support Services policy is expanded to include technology allowing case managers to meet individual needs that have become apparent with COVID.
- Stand alone policy created for Protection of Personally Identifiable Information.

- Revisions to OWDC Policy Handbook reviewed and adopted by the 3 county commissioners on January 22, 2021.

Equal Opportunity Focus Technical Advisory Group Report

- Embed a vision for equitable economic recovery and corresponding economic trigger and dashboard within Governor Inslee's Safe Start efforts.
- Encourage partnership with Results WA to align vision for an equitable recovery and economy with their updated outcomes framework.

Equal Opportunity

- The State EO team continue to provide virtual EO trainings to new staff members.
- OWDC submitted the 2021 EO Monitoring/Facility schedule to the State.
- Monitoring will begin June 2021.

PY20 Q1 Primary Indicators

- Performance Report continues to show struggle to meet target enrollments.
- Local areas have had discussions with state's Workforce Training Board to start the conversation with DOL if Performance Target re-negotiations are possible due to the continued impact of COVID.

Washington State WorkSource Dashboard

- Construction and Healthcare sectors continue to be in-demand.
- Turnover non-existent.

WorkSource On-Going Virtual Services

- Brazen Community Resource Fair February 15th. The fair will showcase all WorkSource services.
- Looking to add frequent employer events.
- Virtual Service process are becoming stronger/better all the time.
- Suzi Levine will be leaving ESD January 27th. Cami Feek will become interim Commissioner.

COVID-19 Impact Roundtable

Monica-Added 25 new jobs. Employers are looking but the job search waiver is making a big impact.
Aschlee-Finding it difficult to fill all vacant positions, administration included. Patients have limited access to mental health services and find Telecare challenging due to technology barriers. Homeless vets are still able to access all services.
Doug-Kitsap County focused on vaccination sites.

Jessica-RESEA program started back up January 11th. Staff sending letters to individuals that now is the time to get prepared for re-employment.
Marilyn-In-person bank services are appointment only. Little less than half of staff are working remotely.

Clallam WorkSource Relocation Update

- Land sold for development.
- Preliminary plans currently in the works by ESD Facilities.
- Plan to have facility operational in a year.

ADJOURN

There being no further business to come before the committee, the meeting was adjourned at 10:52 a.m.

Next Meeting: Tuesday, April 27, 2021, Zoom

Attachment 4.a

THE SELF-SUFFICIENCY STANDARD FOR WASHINGTON STATE 2020

Lisa Manzer

Director, Center for Women's Welfare
University of Washington School of Social Work

Washington Workforce Training, and Education Coordinating Board

January 27, 2021

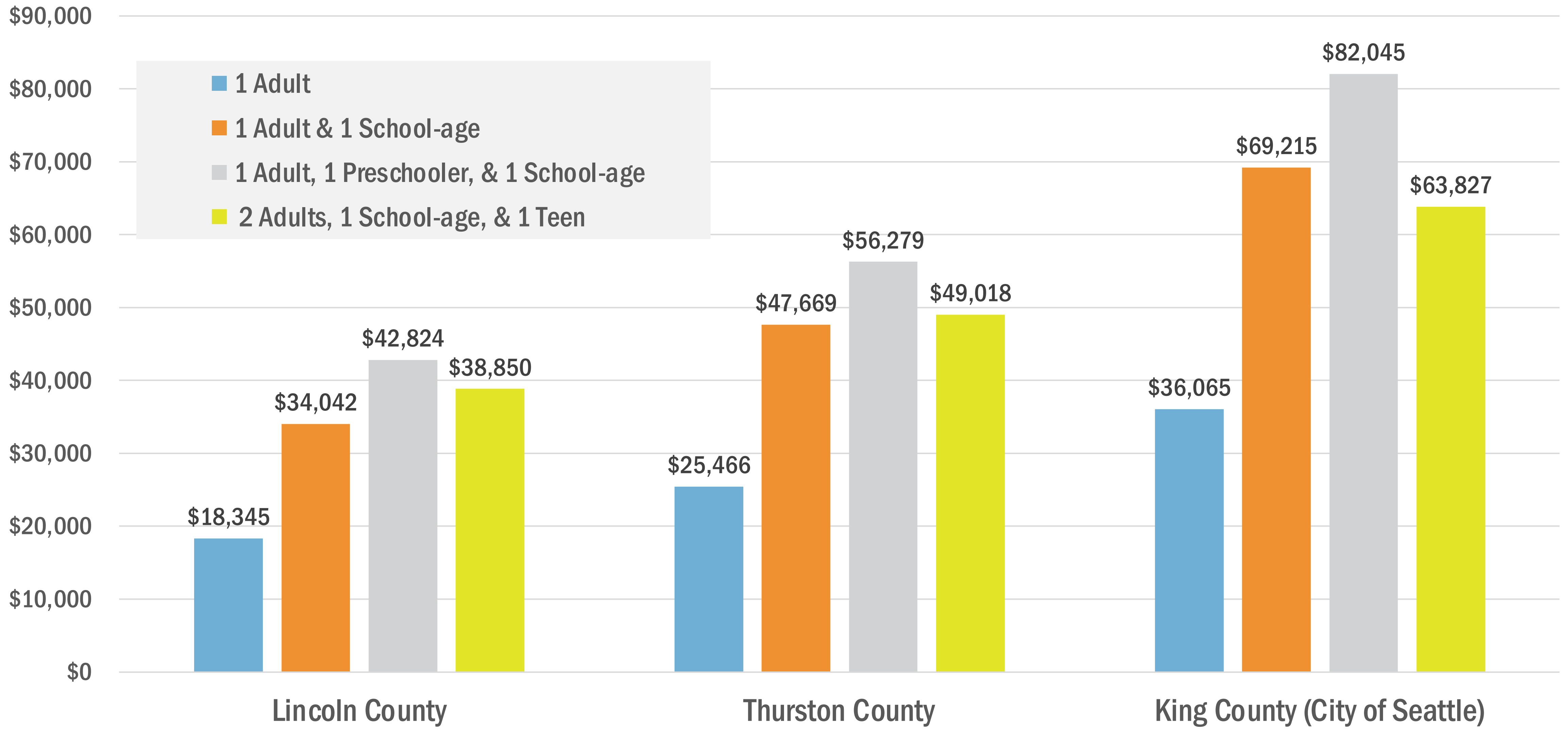
CENTER FOR WOMEN'S WELFARE
UNIVERSITY of WASHINGTON
School of Social Work

The Self-Sufficiency Standard calculates how much income families need to make ends meet without public or private assistance, varied by place and family type

The Self-Sufficiency Standard Calculates the Full Cost of Each Basic Need at a Minimally Adequate Level

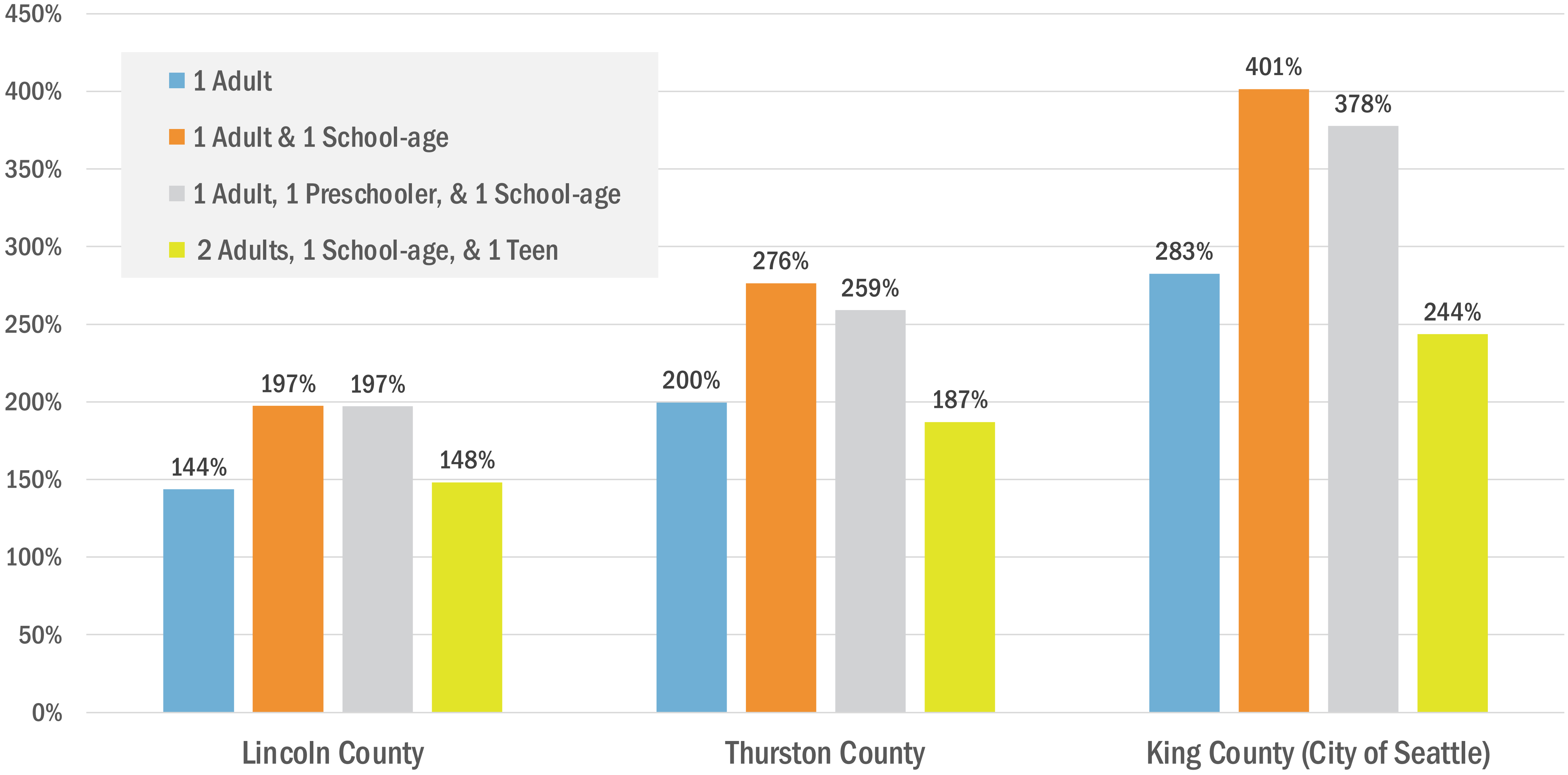
- No presents, vacations, pets
- No extra curricular activities such as team sports or music lessons
- No eating out – not even a latte or slice of pizza
- No government assistance such as food benefits
- No informal assistance such as free babysitting from grandparents

Annual Self-Sufficiency Standard for Select Counties and Family Types, 2020



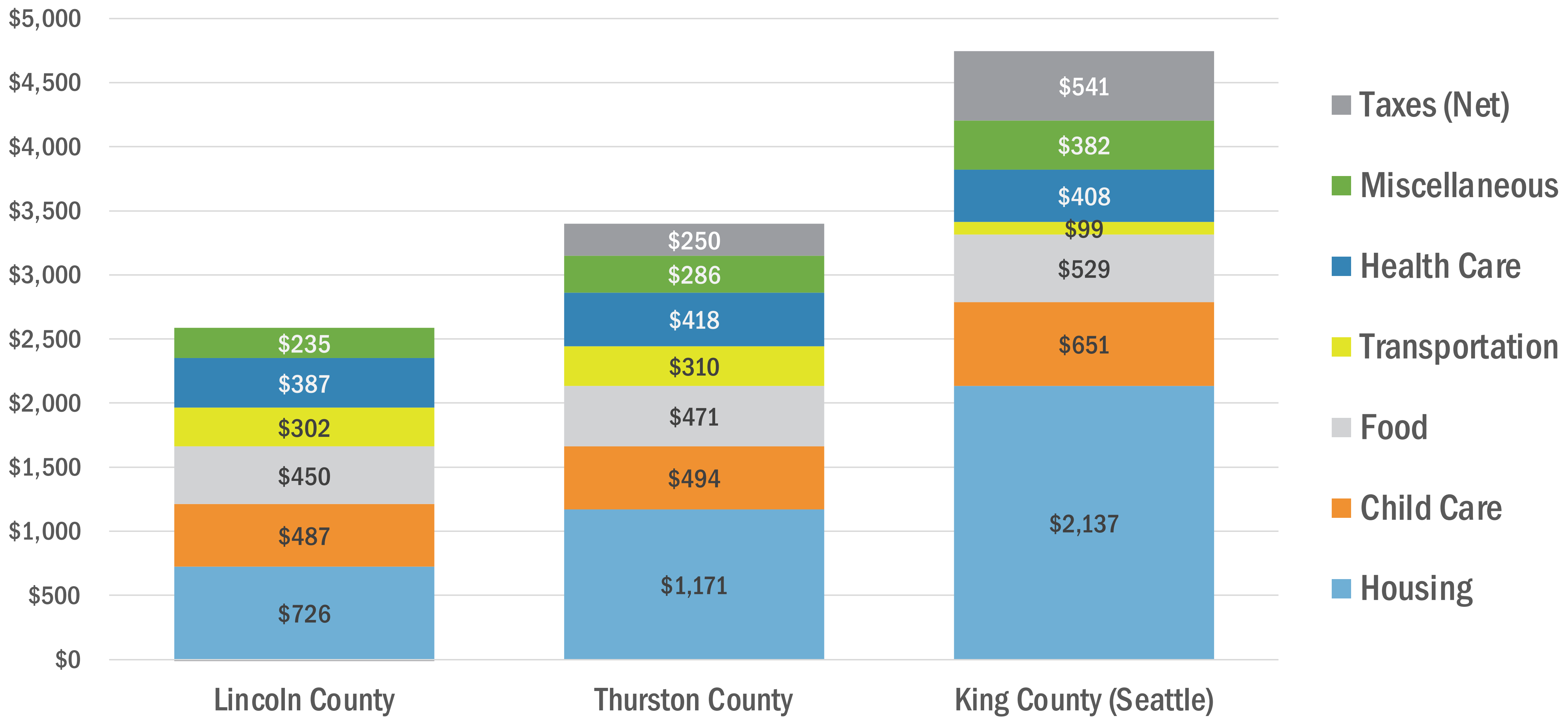
Source: The Self-Sufficiency Standard for Washington State 2020, Center for Women's Welfare, University of Washington School of Social Work, www.selfsufficiencystandard.org/washington

Annual Self-Sufficiency Standard Compared to the Federal Poverty Guidelines, 2020



Source: The Self-Sufficiency Standard for Washington State 2020, Center for Women's Welfare, University of Washington School of Social Work, www.selfsufficiencystandard.org/washington

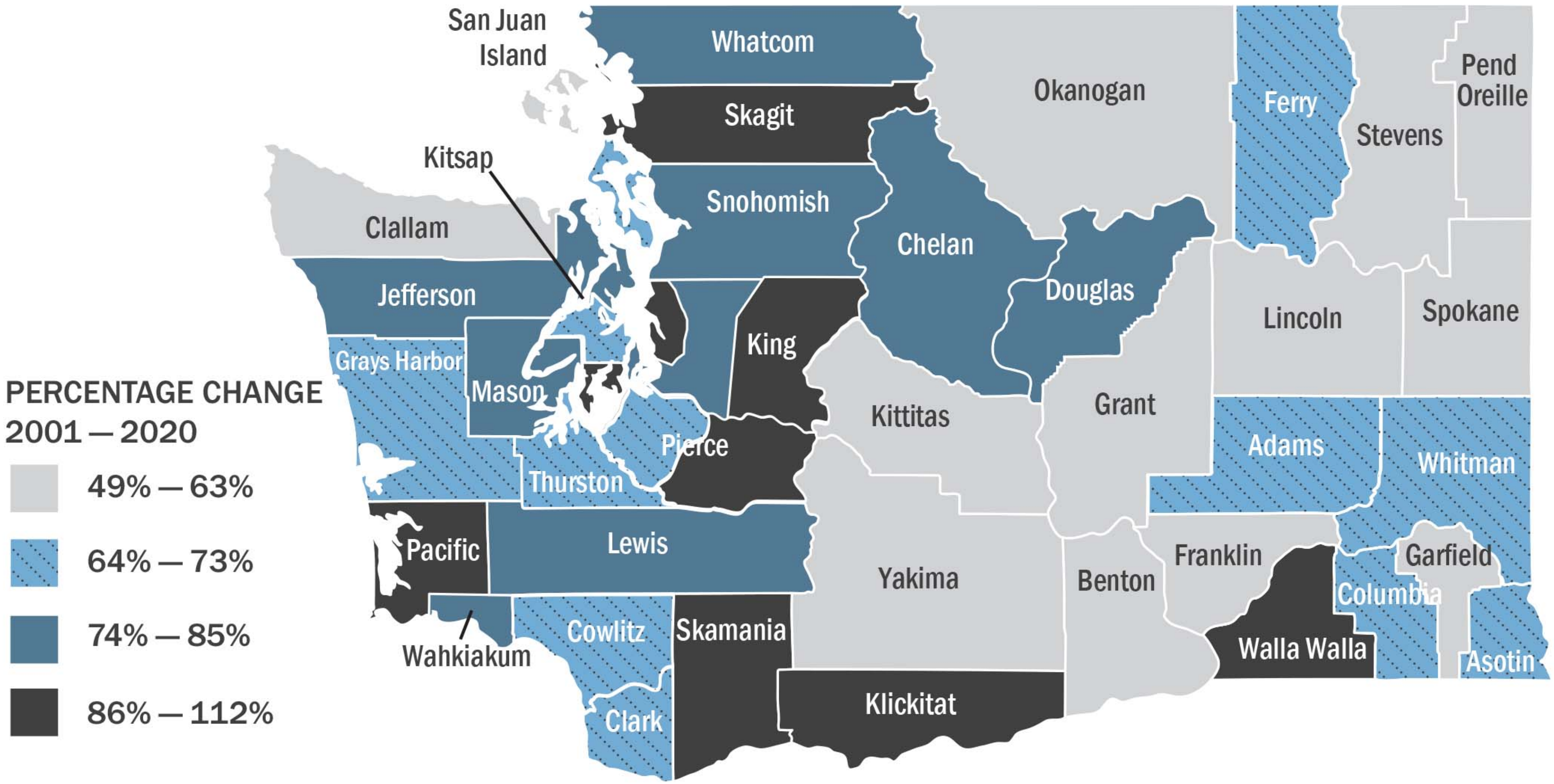
Monthly Cost of Basic Needs for One Adult & One School-age Child, WA 2020



Source: The Self-Sufficiency Standard for Washington State 2020, Center for Women's Welfare, University of Washington School of Social Work, www.selfsufficiencystandard.org/washington

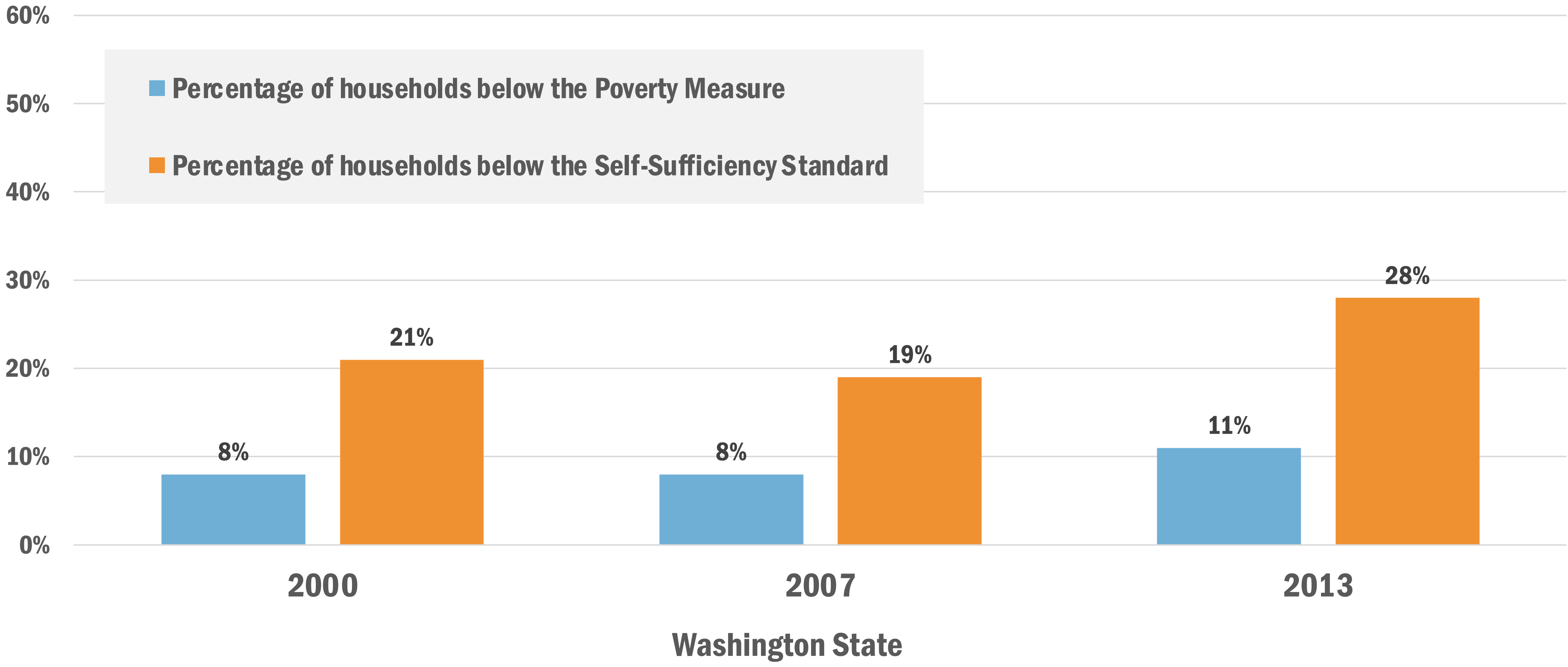
Percentage Change in the Self-Sufficiency Standard for Washington State between 2001-2020

Two Adults, One Preschooler, & One School-Age Child



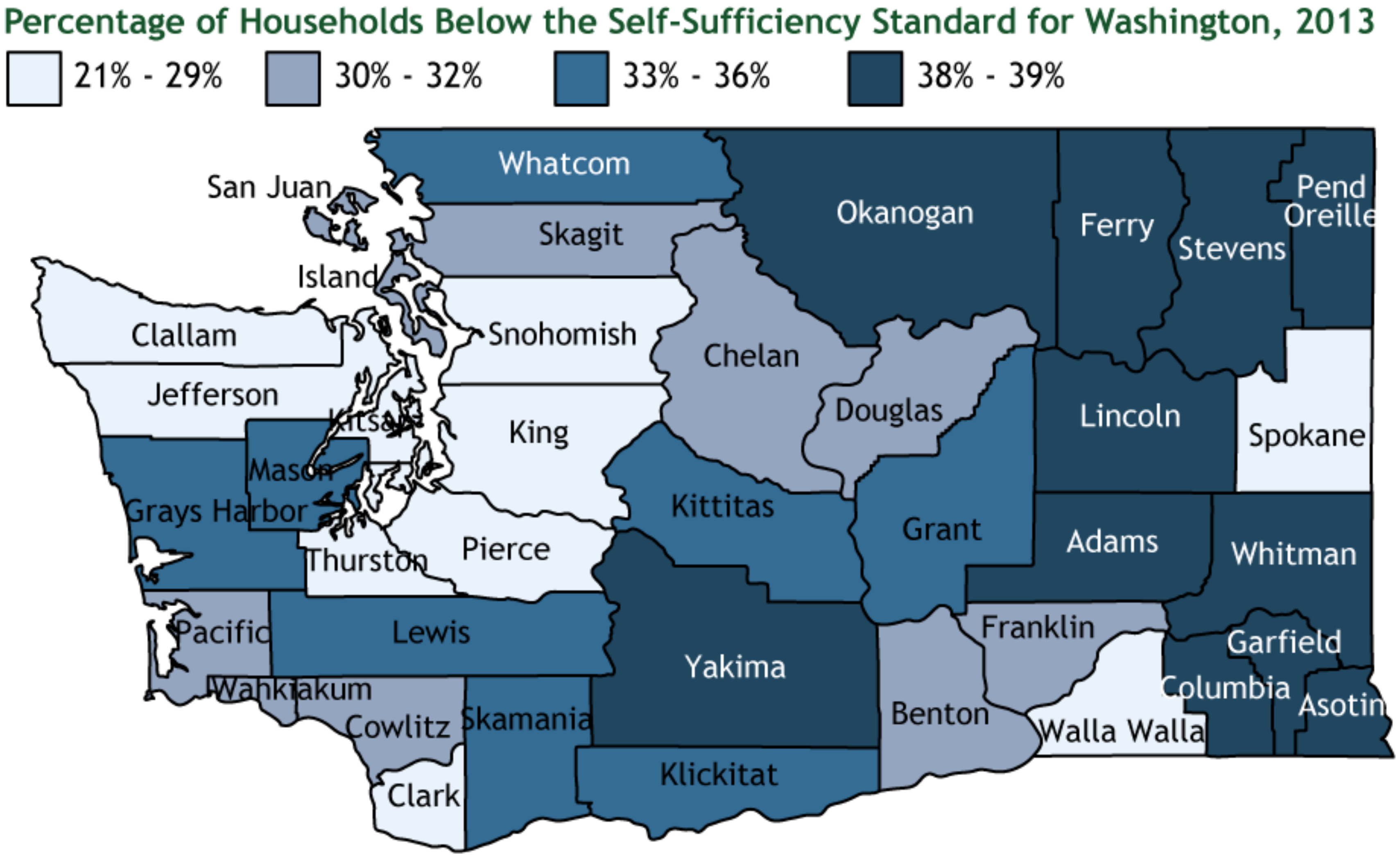
Impact of the Great Recession on Household Income Adequacy

(Funding Provided by Harry Bridges Center for Labor Studies)



Source: Center for Women's Welfare analysis of U.S. Census Bureau 2000 Census, 2007 American Community Center, and analysis of the 2013 American Community Survey.

In 2013, western urban Washington was more expensive but higher proportions of rural eastern households lacked adequate income



Source: Center for Women's Welfare analysis of the 2013 U.S. Census American Community Survey

The Self-Sufficiency Standard is More than Data – it is a Tool

- Used by customers of workforce, training, and education programs seeking paths to self-sufficiency
- Used by managers to evaluate program effectiveness
- Used by communities and businesses as an indicator of the basic cost of living
- Used by policymakers seeking to create programs and pathways that lead to economic self-sufficiency for working families.

HOME / THE STANDARD / THE STANDARD IN PRACTICE / STATE DATA / MEDIA / ABOUT / CONTACT US /

Lisa Manzer
lmanzer@uw.edu

Self Sufficiency Standard

State Data › Resources By State › Washington

Washington

Self-Sufficiency Standard for Washington (PDF)
2020 | 2017 | 2014 | 2011 | 2009 | 2007 | 2001

Self-Sufficiency Standard Tables (Excel)
2020 |2017 | 2014 | 2011 | 2009 | 2007 | 2001

Demographic Report
Overlooked and Undercounted: Wages, Work and Poverty in Washington State (2007)

Calculator
The Calculator

Partner
Workforce Development Council of Seattle-King County

Resources By State

- Alabama
- Alaska
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois

www.selfsufficiencystandard.org

SharedWork is a shared win

BUSINESSES WIN. EMPLOYEES WIN.
COMMUNITIES WIN.

ESSB 5061 – Experience Rating and Training

- SharedWork benefits paid or reimbursed by the federal government **is not charged to experience rating accounts.**
- Training benefits paid to an individual **shall not be charged to the experience rating account** of any contribution paying employer.

Eligible Employers by WDC Area

WDC	Eligible Businesses (best estimates)
Benton - Franklin	1588 + 3300 (emails) = 4,888
Eastern Washington Partnership	1661 + 2643 (emails) = 4,304
SkillSource – North Central	2099 + 3574 (emails) = 5,673
Northwest Workforce Council	2674 + 4731 (emails) = 7,385
Olympic Consortium	1885 + 3842 (emails) = 5,727
Pacific Mountain	2895 + 5281 (emails) = 5,281
Workforce Central - Pierce	3637 + 7741 (emails) = 11,378
Seattle-King County	13499 + 17549 (emails) = 31,048
Snohomish – Future Workforce Alliance	3434 + 8073 (emails) = 11,507
South Central Washington	1724 + 3039 (emails) = 4,763
Workforce Southwest	2936 + 6215 (emails) = 9,151
Spokane Workforce	2424 + 5876 (emails) = 8,300
Total	

Dear Snohomish County Business,

Workforce Snohomish is committed to business empowerment and economic recovery efforts countywide. We strive to ensure your business is knowledgeable and prepared by providing timely reminders of available government resources that can help you with starting, running, and growing your business.

The SharedWork program is a valuable business-friendly resource that can help you retain your workforce through difficult times; this program can help you avoid layoffs by paying employees partial unemployment benefits when their work hours are reduced. New legislation has also expanded the benefits for employers to leverage their unemployment accounts and training workforce needs.

All eligibility inquiries, applications, and use of the SharedWork program are **confidential.** Thousands of businesses in Snohomish County are eligible for the SharedWork program but may not be utilizing this important resource. There is no cost to you as an employer to determine your eligibility, to apply, and to be approved for the program.

Go online to sharedworkwa.com to learn more, or call a SharedWork specialist during regular business hours at 800-752-2500, select option 3.

Make the call today to prepare your business for tomorrow and to bring peace of mind in knowing you are ready for tomorrow!

Be knowledgeable. Be ready. Apply now.

QUESTIONS:
Douglas Evans, Business Solutions Consultant
WorkSource Snohomish County
425-374-0607 Ext:780
Doug.Evans@EquusWorks.com

Marketing tool kit

- Refreshed and streamlined webpage: www.sharedworkwa.com
- Online video - Award winning two and half minutes https://youtu.be/apAufybRrrY
- Webinar

Templates

- Digital brochure
- Promotional flyer
- E-blast
- Content for online newsletters
- Mail insert

Co-branding e-blast banner

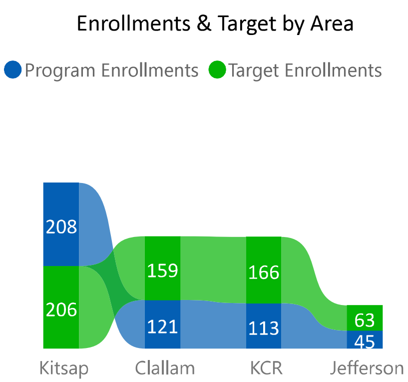
Attachment 13.a

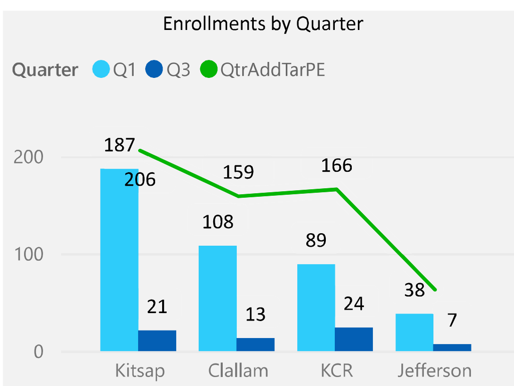
WIOA Formula Performance Report

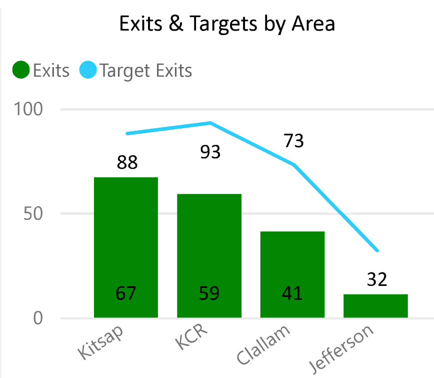
4/1/2021 9:55:10 AM

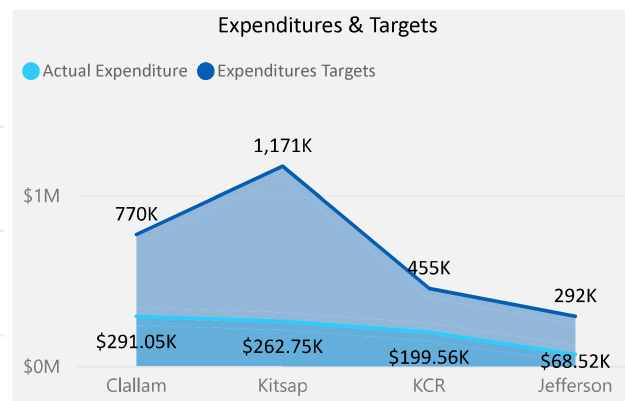
Earliest Refresh Date

Office	Program	Current	Program Enrollments	Target Enrollments	PE %age	Exits	Target Exits	Exit %age	Placements	Target Placements	Placement Rate	Placements %age	Actual Expenditure	Target Expenditures	Expenditures %age
Clallam	Adult	23	39	49	79.59%	16	32	50.00%	14	26	87.50%	53.85%	$93,305	266,544	35.01%
Clallam	DW	15	29	32	90.63%	14	21	66.67%	12	17	85.71%	70.59%	$76,164	285,188	26.71%
Clallam	DWIE	0	1	8	12.50%	1	5	20.00%	1	5	100.00%	20.00%	$3,348	26,723	12.53%
Clallam	Youth	39	49	60	81.67%	10	10	100.00%	8	5	80.00%	160.00%	$118,233	191,485	61.75%
Jefferson	Adult	7	12	18	66.67%	5	11	45.45%	5	9	100.00%	55.56%	$21,909	85,048	25.76%
Jefferson	DW	14	17	15	113.33%	3	10	30.00%	3	7	100.00%	42.86%	$17,916	108,509	16.51%
Jefferson	DWIE			6			4			4			$0	18,018	0.00%
Jefferson	Youth	12	15	17	88.24%	3	3	100.00%	2	2	66.67%	100.00%	$28,693	80,125	35.81%
KCR	Adult	35	75	100	75.00%	40	55	72.73%	31	45	77.50%	68.89%	$134,444	220,817	60.88%
KCR	DW	15	28	40	70.00%	13	26	50.00%	12	20	92.31%	60.00%	$46,238	111,217	41.57%
KCR	DWIE	4	10	18	55.56%	6	10	60.00%	5	8	83.33%	62.50%	$18,881	32,607	57.90%
Kitsap	Adult	16	34	48	70.83%	18	31	58.06%	16	24	88.89%	66.67%	$16,621	182,951	9.08%
Kitsap	DW	41	63	39	161.54%	22	22	100.00%	18	19	81.82%	94.74%	$41,485	206,455	20.09%
Kitsap	DWIE	2	7	19	36.84%	5	15	33.33%	4	14	80.00%	28.57%	$27,147	52,290	51.92%
Kitsap	Youth	55	74	84	88.10%	19	12	158.33%	14	6	73.68%	233.33%	$177,497	362,278	48.99%
Totals		**278**	**453**	**553**	**81.92%**	**175**	**267**	**65.54%**	**145**	**211**	**82.86%**	**68.72%**	**$821,881**	**2,230,255**	**36.85%**









STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
PO Box 9046 • Olympia WA 98507-9046

March 18, 2021

RE: Recognizing Your Team's Remarkable Year's End

Dear Elizabeth,

As we report out on the final months of 2020, I wanted to acknowledge your inspiring dedication to the communities served by your WDC. It is important to take a moment to recognize your positive performance on the outcomes shown below from your WIOA Title I grants and discretionary contracts. Please thank your entire team for the hard work and dedication they put into finding solutions and support for those most affected by the year's struggles.

WDC 01 Quarter Ending December 31, 2020 (June 30, 2020 for employment outcomes)

Goals set pre-Covid

Outcome	**Target**	**Actual**
WIOA Adult Enrollments	162	168
WIOA Adult Employments	163	536
WIOA DW Enrollments Including RRIE	176	126
WIOA DW Employments Including RRIE	205	216
WIOA Youth Enrollments	140	127

Through quarterly narratives and team meetings, it was evident how hard your team has worked to find solutions presented by this difficult year. Notably employment targets seen in your adult program far exceed goals two quarters after exit showing incredible program stability. Way to go! If we could offer additional technical service in any area of grant administration, training, policy guidance, or others, please just let us know. Our goal is to support your local success!

We are always looking for successful practices to share with the rest of the workforce development system. If you would like to share any tools or practices with your peers across the state, please send them to ESDGPWorkforceInitiatives@esd.wa.gov. Also, let us know in that message if you would be willing to present during the next quarterly peer-to-peer teleconference. By sharing your successes, you can help the entire state continue to pursue and achieve excellence. Our next peer-to-peer call is scheduled for ***March 29, 2021*** and we love for you to attend.

If you would like more information, please let me know. Congratulations again on your success, and thank you for serving Washington's employers, workers, jobseekers, and youth.

Sincerely,

Tim Probst
Grants Director
360-790-4913

Attachment 14.a

Olympic Consortium Board Meeting (4th Fridays)		10 a.m. to 12:00 p.m.	Zoom until further notice
Exec OWDC Meeting (4th Tuesdays)		10 a.m. to 12:00 p.m.	Zoom until futher notice
OWDC Full Meeting (2nd Tuesdays)		9:00 a.m. to 1:30 p.m.	Zoom from 9 to 11:30 until further notice

2021

January

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31						

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October

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31						

November

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December

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26	27	28	29	30	31	

OWDC Executive Committee Meeting

Tuesday, July 27, 2021
10:00 a.m. – 12:00 noon
Location: Via Zoom https://zoom.us/j/91503896464

A G E N D A

1. Call to Order and Approval of Agenda
2. Approval of Meeting Minutes from April 27, 2021 (Att. 2.a) pg. 2
3. Initial Discussion of Executive Membership and Vacancies

Discussion

4. 5530POL Follow-up Services (Att. 4.a) pg. 5
5. Economic Security for All
6. The State of the Nation's Housing 2021 (JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY (Att. 6.a) pg. 7
7. WIOS - The Career Information System
8. In-person Services
9. EO Focus, Equity, Inclusion and Diversity
10. Sequim Office Update

Updates

11. PY20 Q4 Formula Performance Reports (Atts.11.ai-aiii) pgs. 47
12. Achievement Recognition Letter (Att. 12.a) pgs. 54
13. Calendar (Att. 13.a) pg. 55

Next Meeting – Tuesday, October 26, 2021 Via Zoom

Data included in the packet are subject to revision.

OLYMPIC WORKFORCE DEVELOPMENT COUNCIL (OWDC)
EXECUTIVE COMMITTEE SUMMARY
April 27, 2021

ATTENDANCE: Marilyn Hoppen, Aschlee Drescher, Julie Hatch, Monica Blackwood, Kimberly Hetrick, Chris Abplanalp, Amanda Fisher
Staff: Elizabeth Court, Alissa Durkin

The Olympic Workforce Development Council's (OWDC) Executive Committee meeting was held on Tuesday, April 27, 2021 via Zoom.

APPROVAL OF SUMMARY

The Executive Committee's Meeting Agenda was approved as follows:

> **ACTION: Aschlee Drescher moved to approve the Agenda as presented. Motion was seconded by Monica Blackwood.**
> **Motion carried unanimously.**

The Executive Committee's Meeting Minutes were approved as follows:

> **ACTION: Aschlee Drescher moved to approve the January 26, 2021 Executive Committee Minutes as presented.**
> **Motion was seconded by Monica Blackwood. Motion carried unanimously.**

DISCUSSION

Self-Sufficiency Calculator

- New model of the meaning of poverty created by University of Washington's Director of Center for Women's Welfare Dr. Lisa Manzer.
- New model develops a Self-Sufficiency calculator based on today's basic needs at a minimally adequate level costs: housing, childcare, groceries, technology, medical, transportation and apparel.
- Self-Sufficiency standard is more than data-it's a tool for
  - customers of workforce, training and education programs,
  - managers to evaluate program effectiveness,
  - communities and businesses as an indicator of the basic cost of living, and
  - policymakers seeking to create programs and pathways that lead to economic self-sufficiency for working families.

Washington Association of Career Technical Assistance Spring Conference Overview-Dr. Kimberly Hetricks

- Points of discussion
  - Career Development
  - Expand Graduation Options
  - High School and Beyond Plan
  - Perkins V
  - Work-based Learning & Core Plus
  - CCWA/Career Launch
  - Engaging in Legislative Process
  - CTE in WA State
  - Tribal Communities
- House Bill 1599 passed-new graduation requirement, students must complete 1 of 8 different graduation pathways.

Shared Work

- Business-Friendly resource that help employers retain their workforce by avoiding layoffs with paying employee's partial unemployment benefits when their work hours are reduced.
- 5,700 eligible business within Olympic Consortium (Clallam, Jefferson and Kitsap Counties).
- Emails with marketing tool kit attached are being sent to those eligible businesses.

UPDATES

External Monitoring

- State monitoring is complete.
- OWDC received a handful of items to address.
- All items have been addressed and resolved.
- OWDC should be receiving states Management Letter by May 24th.

Equal Opportunity Monitoring/Equal Opportunity Training

- The State Equal Opportunity Team will continue to provide new staff Virtual Equal Opportunity Training until July 2021.
- Silverdale WorkSource ADA checklist is complete. Clallam WorkSource review will begin in May.

Budget Procedure

- State Monitors shared DOL will require the Workforce Development Council to have a voice in our WIOA 2021 budget.
- We decided at the May 11th OWDC meeting our WIOA 2021 Budget will be shared and discussed with the council. Council members will ask questions and make a motion to approve and adopt the 2021 WIOA budget.
- Discussion around the next steps and inform members to be prepared to review and make comments on any proposed changes to the 2022 WIOA budget when sent to members two weeks prior to September OWDC meeting.

Sector Work

- One Stop Operator, Chris Abplanalp announced he has joined the Kitsap Builders Association Workforce Development Committee.
- In addition to providing services to injured workers LNI is assisting all job seekers and working closely with Workforce Development Council.
- OWDC has joined Washington Economic Development Association (WEDA) and Public Ports Federation (improving maritime networking).

New Council Members

- WestSound Stem Director Kareen Boarders joins council.
- 2 new at large members: Seth White-Pipe Fitter Union Representative and Rusty Grable-Local 169 Union Representative, joins the council.

Quarter 3 (Jan-Mar) Performance Report

- Final Performance Report didn’t make it into the agenda packet and will be sent via email by Elizabeth Court immediately following meeting.

ADJOURN

There being no further business to come before the committee, the meeting was adjourned at 11:00 a.m.

Next Meeting: Tuesday, July 27, 2021,via Zoom

5530POL Follow-up Services

Effective Date: TBD
Supersedes Dec 1, 2017 Policy 20

Approved by XX
TBD

The U.S. Department of Labor (DOL) issued guidance TEGL 10-16, which states follow-up services begin after exit. To ensure Olympic Workforce Development Council (OWDC) policy compliance, this policy describes the requirements for delivery of Follow-up Services.

1. **Requirements for Follow-up Services are authorized to begin after a WIOA Title I participants program completion (exit) into unsubsidized employment,** for at least a period of 12-months after the first day of employment. Adult, Dislocated Worker, and Youth program are required to offer follow-up services at the time of exit.
2. **The goal of follow-up services is to ensure job retention, wage gains, and career progress.**
   a. Follow-up service must align with participants individual service strategies planning. The types of services are based on the needs of the individual and may differ for each participant.
   b. Individuals who have multiple employment barriers and limited work histories may need significant follow-up services to ensure long-term success.
3. **Career Services during 12-month follow-up period include:**
   a. Counseling individuals about the workplace
   b. Contacting individuals or employers to verify employment
   c. Contacting individuals or employers to help secure better paying jobs, additional career planning, and counseling for the individuals
   d. Assisting individuals and employers in resolving work-related problems.
   e. Connecting individuals to peer support groups
   f. Providing individuals with information about additional educational or employment opportunities
   g. Providing individuals with referrals to other community services
4. **Supportive services are allowable during follow-up** *(per WorkSource System Policy 5602 (Rev3) and 5620 (Rev1), 5520POL Supportive Services Rev2)*
   a. Assistance with transportation (gas, bus pass, etc.)
   b. Assistance with childcare and dependent care
   c. Assistance with education testing
   d. Payments and fees for employment and training related applications, tests, and certificates
   e. Job specific tools not provided by employer but required for position

f. Appropriate work attire (slacks, blouse, scrubs, boots, etc.)

g. Hygiene products (soap, toothpaste, deodorant, etc.)

h. Technology (phone minutes, computer programs specific to job description/task not provided by employer (verification documentation is required). Laptops **are not** authorized as a follow-up support service.

5. **Youth participants must be offered an opportunity to receive follow-up services unless they decline or cannot be located. Youth follow-up services are allowable for unsubsidized employment or postsecondary education and training.**

   a. Follow-up service must align with their individual service strategies.

   b. Youth follow-up services include services noted in step 3 and 4 of this policy *as well* as: adult mentoring, financial literacy, education, labor market information, prep and transition for post-secondary and training (per TEGL 21-16).

6. **Follow-up services do not trigger the exit date to change or delay exit for performance reporting.** As such, subrecipients count each exit of a participant during a program year as a separate period of participants if a participant has more than one exit in program year.

7. **Follow-up services are required to be recorded in state MIS system Efforts to Outcomes (ETO).**

   a. If participant opts-out of further services, case notes are required to reflect participants selection within Outcome TouchPoint (TP) (*per 5210POL Case Note Policy).*

   b. Staff must use the WorkSource service Catalog to select appropriate TP to enter into the MIS system.

   c. All documentation obtained during follow-up services are required to uploaded into applicable TP (*per 1600POL Records and Documentation).*

8. **Participants may be considered as opting out of follow-up after five failed contact attempts by case managers with participant or employer.**

   a. After the 5th unsuccessful contact attempt, a letter shall be sent to the participant indicating the opt-out action to be taken and the procedure to opt back in if the participant chooses. Copy of letter and date sent are required to be uploaded into last TP recorded.

   b. All attempts to contact are required to be entered into MIS system.

References

Follow-up Services for Adults and Dislocated Workers, WIOA Title I 5620 (Rev1) Policy
OWDC 1600POL Records and Documentation
OWDC 5210POL Case Note Policy
Performance Accountability Guidance for WIOA Title I, II, III, and IV Core Programs, TEGL 10-16
Supportive Services and Needs-Related Payments, WIOA Title I 5602 (Rev3) Policy
WIOA title I Youth Formula Program Guidance, TEGL 21-16

THE STATE OF THE NATION'S HOUSING

2021

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National Association of REALTORS®

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National Housing Conference

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National Low Income Housing Coalition

National Multifamily Housing Council

NeighborWorks America

1 EXECUTIVE SUMMARY

Even as the US economy continues to recover, the inequalities amplified by the COVID-19 pandemic remain front and center. Households that weathered the crisis without financial distress are snapping up the limited supply of homes for sale, pushing up prices and further excluding less affluent buyers from homeownership. At the same time, millions of households that lost income during the shutdowns are behind on their housing payments and on the brink of eviction or foreclosure. A disproportionately large share of these at-risk households are renters with low incomes and people of color. While policymakers have taken bold steps to prop up consumers and the economy, additional government support will be necessary to ensure that all households benefit from the expanding economy.

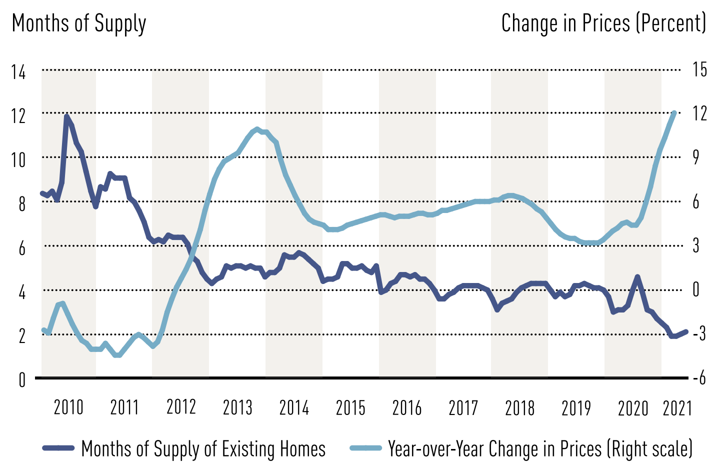
SOARING PRICES AMID HIGH DEMAND AND TIGHT SUPPLY

Home sales bounced back quickly from a mid-2020 pause. Following a 26 percent drop in May, sales of existing homes were up 20 percent year over year on average from September 2020 through February 2021. Sales of new single-family homes rebounded even earlier and faster, increasing by more than 30 percent on average from June through February. For 2020 as a whole, existing home sales rose 5.6 percent and new single-family home sales jumped 20.4 percent. On the strength of these gains, total home sales were at their highest level since the peak of the housing boom in 2006.

The homebuying binge occurred despite historically tight supply. Inventories of existing homes for sale were already low heading into 2020, and the pandemic made matters worse by discouraging potential sellers from putting their homes on the market. From March 2020 through March 2021, the existing home inventory shrank by about 30 percent, leaving just 1.05 million homes for sale. Months of supply for existing homes, measuring how many homes are available at the current sales rate, also fell steadily from 3.9 months on average in 2019 to 3.1 months in 2020, and dipped below 2.0 months in late 2020 for the first time ever **(Figure 1)**. Median time on the market also hit a record low in March at 18 days.

FIGURE 1

With Inventories at Record Lows, Existing Home Prices Continue to Head Up



Note: Months of supply measures how long it would take the number of homes on the market to sell at the current rate, where six months is typically considered a balanced market.
Source: JCHS tabulations of National Association of Realtors (NAR), Existing Home Sales; S&P CoreLogic Case-Shiller US National Home Price Index.

The combination of robust demand and limited supply lifted home prices to their fastest pace in over a decade. According to the S&P CoreLogic Case-Shiller Home Price Index, home prices rose 13.2 percent nationally in March 2021, up from 4.2 percent on average in the first quarter of 2020 and 3.5 percent on average throughout 2019. The FHFA House Price Index shows a similarly large year-over-year increase in the first quarter of 2021, with prices up by double digits in 85 of the 100 large metro areas and divisions that it tracks. The largest price gains were in rapidly growing Western states, led by a 28 percent jump in Boise and 22–23 percent increases in Austin and Tacoma. But several markets in the Northeast and Midwest were also among the top ten metros for home price growth, including Bridgeport and Grand Rapids (both up 17 percent).

These outsized increases have raised concerns that a home price bubble is emerging. However, conditions today are quite different than in the early 2000s, particularly in terms of credit availability. The current climb in house prices instead reflects strong demand amid tight supply, helped along by record-low interest rates. Indeed, the rate on a 30-year fixed mortgage averaged less than 3.00 percent from July 2020 through February 2021, with another dip below 3.00 in May.

Low interest rates and rapidly rising prices have in turn given a substantial boost to new residential construction. Single-family housing starts hit 1.0 million units at a seasonally adjusted annual rate in August 2020 and continued to exceed that pace through the first quarter of 2021. If sustained, this would be the first year that single-family starts have topped the one-million mark since 2007.

Although part of the answer to the nation's housing shortage, new construction can only do so much to ease short-term supply constraints. To meet today's strong demand, more existing single-family homes must come on the market. The widespread availability of COVID-19 vaccines and resumption of more normal social interactions may in fact encourage more homeowners to sell. Still, with interest rates so low and home sales at such a furious pace, prices are likely to continue their rapid ascent in the near term.

HOMEOWNERSHIP RATES RISING, BUT NOT FOR ALL

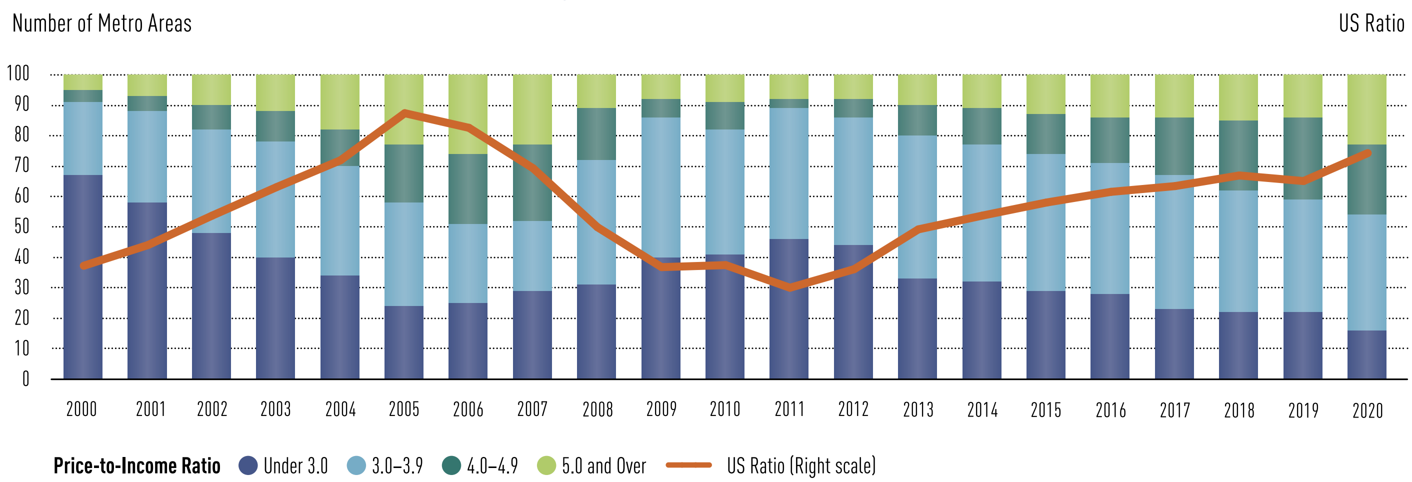
The national homeownership rate remains on an upward trajectory, driven by the aging of more millennials into their 30s and the strong income gains among these young adults. Census Bureau estimates for the first quarter of 2021 show a 0.3 percentage point year-over-year increase in homeownership, which comes on the heels of a 1.2 percentage point rise between the post-recession low in 2016 and 2019.

Younger households continued to lead the growth in homeownership rates, with a 0.8 percentage point year-over-year increase in the first quarter of this year. Indeed, rates for households under age 35 were up 2.2 percentage points in 2016–2019, coinciding with an 8.0 percent rise in real incomes among renters in this age group. Households aged 35–44 also posted a substantial 0.5 percentage point increase in homeownership in early 2021, building on a 1.5 percentage point gain in 2016–2019.

However, rapidly rising home prices mean that the upfront costs of homeownership are also increasing, particularly in markets where bidding wars have become commonplace. As it is, home price gains continued to outrun income growth last year, lifting the national price-to-income ratio to 4.4—the highest level since 2006. Two decades ago, the ratio was less than three times income in two-thirds of the 100 largest metros and above five times income in only a handful of markets. In 2020, price-to-income ratios were under 3.0 in only 16 metros and above 5.0 in 23 metros **(Figure 2)**. With house prices representing such large multiples of income, accumulating the downpayment and closing costs to buy homes could take years, particularly for younger households facing the twin burdens of high rents and significant student debt.

FIGURE 2

Home Price-to-Income Ratios in an Increasing Number of Metro Areas Are Back Near Mid-2000s Levels



Notes: Price-to-income ratios are for the 100 largest metro areas by population. Income data for 2020 are based on Moody's Analytics forecasts.
Source: JCHS tabulations of NAR, Metropolitan Median Area Prices; Moody's Analytics estimates.

Although narrowing, differences in homeownership rates between households of color and white households remain substantial. According to the latest Housing Vacancy Survey, the Black-white homeownership gap stood at 28.1 percentage points in the first quarter of 2021, an improvement from the record high of 30.8 percentage points in 2019 but still large by historical standards. Indeed, the Black-white gap held under 27 percentage points for most of the 1980s and 1990s. Meanwhile, the Hispanic-white gap decreased by 1.8 percentage points between 2019 and the first quarter of 2021, to 23.8 percentage points.

Income inequality contributes to the disparities in homeownership, with the median household income of white renters ($45,000) in 2019 some 40 percent higher than that of Black renters ($32,100) and 7 percent higher than that of Hispanic renters ($42,000). But even controlling for these differences, the homeownership gaps are still wide. For example, among households earning 50–80 percent of area median income, just 38 percent of Black, 43 percent of Hispanic, 56 percent of Asian, and 53 percent of Native American households owned homes, compared with 64 percent of white households.

Accumulating the savings needed for downpayment and closing costs is difficult for most first-time buyers, but especially for renter households of color. According to Survey of Consumer Finances data, the median net wealth of Black renters was just $1,830 in 2019—a fraction of the $6,000 median for Hispanic renters and $8,300 median for white renters. In addition, only 8 percent of Black renters and 12 percent of Hispanic renters had more than $10,000 in cash savings, compared with 25 percent of white renters. Moreover, studies have found that white homebuyers are four times more likely on average than Black homebuyers to receive help from parents in coming up with a downpayment.

With interest rates near historic lows, downpayment assistance programs would give a substantial lift to homeownership rates among households of color with insufficient savings. As a recent Joint Center analysis concluded, a $15,000 income-targeted assistance program could help as many as 1.0 million Black renters and 470,000 Hispanic renters buy homes. When coupled with homebuyer education and counseling to overcome information and credit barriers, this support has the potential to reduce the Black-white homeownership gap by 12 percentage points and the Hispanic-white gap by 4 percentage points.

RENTAL MARKETS STABILIZING AFTER SLOWDOWN

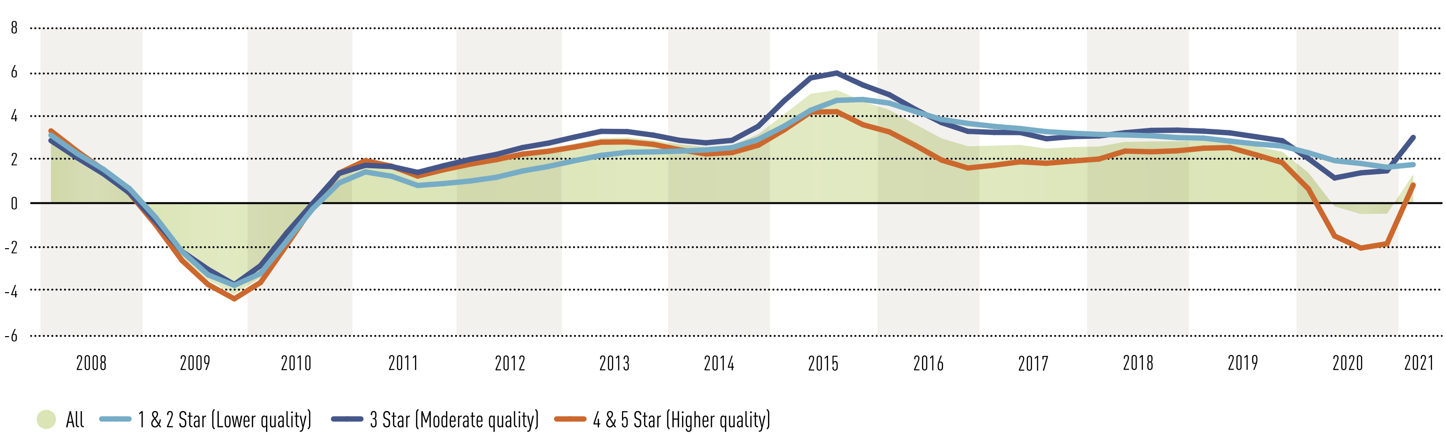
Just as rental demand cooled in urban areas last year, it heated up in suburban markets. According to CoStar data on the professionally managed stock, vacancy rates in prime urban neighborhoods soared from 7.2 percent in the first quarter of 2020 to 10.0 percent in the fourth quarter, before edging back down to 9.6 percent in the first quarter of 2021. At the same time, vacancy rates in prime suburban areas also started out at 7.2 percent early last year, but shrank to 6.3 percent by the end of 2020 and further to 6.0 percent in early 2021.

Since many higher-quality rentals are located in prime urban areas, vacancy rates in this segment rose from 10.1 percent in the first quarter of 2020 to 10.5 percent in the fourth, then receded to 9.9 percent early this year. As a result, rents for higher-end units were down 1.9 percent year over year at the end of 2020 before recovering to an 0.8 percent increase in the first quarter of 2021 **(Figure 3)**.

FIGURE 3

Following a Dip Early in the Pandemic, Rents for Higher-Quality Apartments Are Again on the Rise

Annual Change in Rents (Percent)



Note: Apartment quality is based on the CoStar Building Rating System for professionally managed market-rate apartments in buildings with five or more units.
Source: JCHS tabulations of CoStar data.

However, the markets for moderate- and lower-quality apartments remained tight, with little change in vacancies over this period. Rent growth for moderate-quality apartments eased from 2.0 percent to 1.5 percent in 2020, but then jumped to 3.0 percent in the first quarter of 2021—an even faster pace than before the pandemic. In contrast, rent increases for lower-quality apartments slowed from 2.3 percent in early 2020 to 1.8 percent in early 2021.

At the metro level, rents in the first quarter of 2021 were down in 25 of the 150 markets tracked by RealPage. The sharpest declines were primarily in high-cost markets such as San Francisco (-20 percent), San Jose (-16.5 percent), New York (-15 percent), and Boston (-8 percent). At the same time, rents increased by more than 2.0 percent in 94 metros, primarily lower-cost markets in the West and South, with especially large gains in Boise (11 percent) and Fayetteville (10 percent).

The firming of rents and vacancy rates in prime urban areas and in the higher-quality segment in early 2021 suggests that the strengthening economy and easing of pandemic-related restrictions will make the dip in rental demand only temporary. The latest uptick in multifamily construction reflects that view, with starts of units in buildings with five or more apartments rising from a 342,000 annual rate in the fourth quarter of 2020 to a 429,000 annual rate in the first quarter of 2021. If sustained, this year would be the first time that starts in this segment have exceeded 400,000 units since 1987.

THE WORSENING CHALLENGE OF RENTER COST BURDENS

Even after ten years of economic expansion and the lowest unemployment rate in decades, the share of renter households with cost burdens in 2019 was down just four percentage points from the 2011 high. Some 20.4 million renters (46 percent) paid more than 30 percent of their incomes for housing that year, including 10.5 million (24 percent) severely burdened households that paid more than half of their incomes for rent.

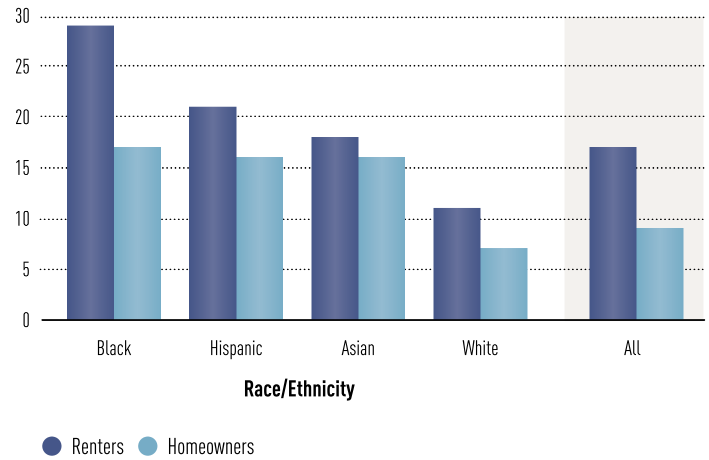
Although long the plight of lowest-income renters, cost burdens have moved up the income ladder. More than 80 percent of renters earning less than $25,000 were cost burdened in 2019, with a large majority severely burdened. Remarkably, 70 percent of renter households earning between $25,000 and $34,999 and nearly 50 percent of renters earning between $35,000 and $49,999 were also at least moderately burdened. The racial and ethnic disparities are stark, with 54 percent of Black and 52 percent of Hispanic renters having at least moderate burdens, compared with 42 percent of both white and Asian renters.

Renters in general, and lowest-income renters in particular, have taken the brunt of the economic fallout from the pandemic. The Census Bureau's Household Pulse Surveys show that more than half of all renter households had lost income between March 2020 and March 2021. Not surprisingly, 17 percent were behind on rent early this year, including nearly a quarter of those earning less than $25,000 and a fifth of those earning between $25,000 and $34,999. Racial disparities are evident here as well, with 29 percent of Black, 21 percent of Hispanic, and 18 percent of Asian renters in arrears, compared with just 11 percent of white renters **(Figure 4)**.

FIGURE 4

Households of Color and Renters Are More Likely to Have Fallen Behind on Monthly Housing Payments

Share of Households Behind on Housing Payments (Percent)



Notes: Households behind on rent or mortgage reported that they were not caught up at the time of survey. Black, white, and Asian households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, January–March 2021.

The shares of renters behind on housing payments vary widely across the country. States with the highest concentrations of renters in arrears are in the Southeast, with Mississippi topping the list at 27 percent, followed by Delaware and Louisiana, both at 25 percent. The lowest shares are in the Midwest and Mountain West states, including Idaho, North Dakota, Montana, and Utah, where less than 12 percent of renters were behind on their housing payments in early 2021.

With so many renters in financial distress, there are serious concerns about an impending wave of evictions. So far, substantial federal relief through stimulus payments, expanded unemployment benefits, and other funding, along with federal and state eviction moratoriums, have prevented large-scale displacement. However, if the federal moratorium ends in July as scheduled (or earlier due to successful legal challenges), staving off a substantial increase in evictions and homelessness will depend on whether the latest round of assistance reaches at-risk households in time.

Even before the pandemic, the number of people experiencing homelessness was on the ascent. In January 2020, HUD put the count at 580,000 people, up nearly 13,000 from a year earlier and up more than 30,000 from the post-recession low in 2016. The rising incidence of unsheltered homelessness drove the overall increase, with a jump of 50,000 since 2016. Most of the uptick in people experiencing homelessness is centered in Western and Sunbelt states, particularly Arizona, California, Texas, and Washington.

Fortunately, governments at all levels recognized early in the pandemic that people experiencing homelessness were especially at risk not only of infection, but also of dying from COVID-19 given their underlying health conditions. Among the most effective responses to this public health threat was the conversion of vacant hotels and motels into non-congregate shelters. In some cases, these conversions have become permanent, creating new capacity for emergency homeless shelters and supportive housing. The American Rescue Plan of 2021 allows for the use of funding for these same purposes, helping to stem the rise in homelessness.

ENDURING PRESSURES AMID THE RECOVERY

Spurred by generous federal spending packages and the wide availability of COVID-19 vaccines, the US economy is steadily recovering. In the first four months of 2021 alone, the economy added more than 1.3 million jobs, reducing the national unemployment rate to 6.1 percent. Even so, there were 7.6 million fewer jobs in February than a year earlier, and unemployment rates remained distressingly high for Black (9.7 percent) and Hispanic workers (7.9 percent), as well as for those with less than a high school diploma (9.3 percent).

In December 2020 and again in March 2021, the federal government stepped in to support households that had fallen behind on rent with more than $50 billion in assistance. While that level of aid appears commensurate with current need, a key concern is whether state and local governments will be able to quickly and effectively distribute this assistance. Some state and local programs funded in part by last year's CARES Act failed to reach many in need because of difficult application processes, restrictive eligibility requirements, and a lack of consumer awareness about available support. Lessons learned from that experience will hopefully make distribution of new funding under the American Rescue Plan more efficient.

Homeowners who faced COVID-related hardship have also received support in the form of loan forbearance and a ban on foreclosures. This protection, allowing borrowers to defer or reduce their monthly payments for up to 18 months, was extended to the 70 percent of homeowners with federally backed loans. As of March 2021, a majority of the 7.1 million loans that had entered forbearance since the start of the pandemic had left that status. Of these loans, payments on two-thirds were again current and another fifth were paid off. A small share (8 percent) of borrowers were still delinquent but engaged in loss mitigation with their lenders, while 3 percent were delinquent and not working on a resolution.

But the outcomes are uncertain for the 2.3 million borrowers in forbearance that have yet to resume their mortgage payments. A simple solution for many of these homeowners would be to extend the terms of their mortgages to make up for the missed payments. But the situation is more complicated when the accumulated deficit of mortgage, property taxes, and insurance payments, on top of the outstanding loan balance, exceeds the value of the home. And even in cases where some equity remains, borrowers may not be able to resolve their accumulated debt by selling their homes if that equity does not cover sales costs (generally about 10 percent of a home's value).

Black Knight estimates that, of the borrowers taking advantage of the full 18 months of forbearance, some 22 percent would have less than 10 percent equity after factoring in these deficits. The shares of borrowers in this situation but with loans backed by the Federal Housing Administration and Veterans Administration are even higher, at 36 percent. Although the American Rescue Plan includes $10 billion in support for homeowners in such circumstances, it is unclear whether this aid will be available or sufficient to safeguard some borrowers from foreclosure or forced sales once forbearance ends. For most of these borrowers, that deadline is July 2021.

For the many households that had to tap savings or go into debt to cover lost income last year, the impacts of the pandemic will linger well into the future. A Joint Center review of surveys conducted over the past year found that about a quarter of the renters with COVID-related job losses reported that they had substantially depleted their savings, another quarter had borrowed from families and friends, and a tenth had turned to payday or personal loans. Even assuming they regain their financial footing, these households will have fewer resources to draw on whether for everyday needs, emergencies, or for a downpayment on a home. Recovering from the devastating effects of the pandemic will be harder yet for those who have lost loved ones to COVID-19 or are themselves suffering from the long-term debilitating effects of the virus.

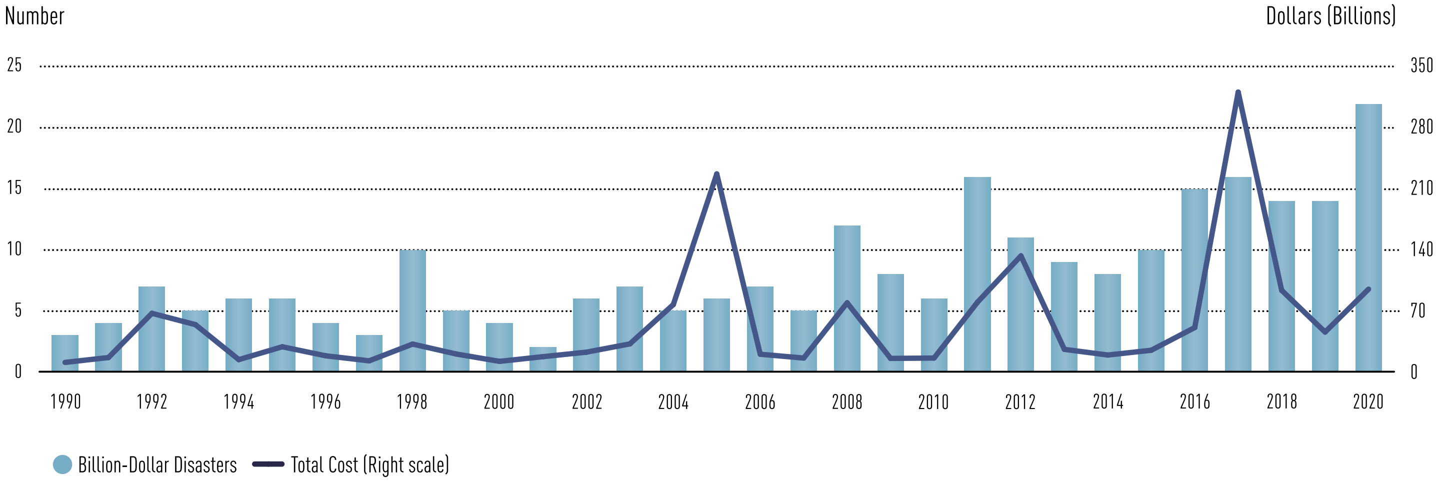
THE NATION'S CRITICAL NEED FOR HOUSING INVESTMENT

After years of relatively weak residential construction, the median age of the US housing stock increased sharply from 34 years in 2007 to 41 years in 2019. Older housing generally needs more upkeep than newer housing. Indeed, a 2019 analysis by the Federal Reserve Bank of Philadelphia and PolicyMap found that 45 percent of homes built before 1940 were in need of repair, compared with 26 percent of homes built in 2000 or later.

This study also estimated that more than a third of all occupied homes in 2017 had structural, plumbing, electrical, and heating

FIGURE 5

The Number of High-Cost Disasters Set a New Record in 2020



Notes: All costs are adjusted to 2020 dollars using the CPI-U for All Items. The direct costs of disasters include physical damage to buildings, material assets, vehicles, infrastructure, and agriculture, as well as the costs of business interruption, wildfire suppression, and disaster restoration.
Source: JCHS tabulations of National Oceanic and Atmospheric Administration (NOAA), Billion-Dollar Weather and Climate Disasters.

problems, leaks, and/or pest infestations, and put the total cost of addressing these needs at $127 billion. This figure does not include the costs of improving indoor air and water quality or removing lead contamination, which all pose serious threats to human health and safety. Moreover, it is likely that overall repair needs are even higher today, given that many homeowners had to put off these types of expenses during the pandemic.

Among the homes most in need of repair are manufactured housing units, units occupied by renters, and those occupied by Black, Hispanic, and Native American/Alaskan Native households, as well as by people with disabilities. Public housing is an important case in point. National Association of Housing and Redevelopment Officials estimated that the backlog of capital funding needed to address deficiencies in the stock of roughly one million units was $70 billion in 2019 and accruing at $3.4 billion per year.

Climate change has made improving the energy efficiency and resiliency of housing ever more urgent. Given that residential energy use accounts for a fifth of the nation's greenhouse gas emissions, retrofitting older homes with energy-efficient systems would help to reduce the nation's reliance on fossil fuels. These improvements also carry potential cost savings for low-income homeowners and the millions of cost-burdened renters who pay for utilities out of pocket.

Ensuring that homes can withstand extreme weather events is a related priority. In 2020, the US experienced a record 22 distinct billion-dollar disasters **(Figure 5)**. As these events increase in both intensity and frequency, they pose an ever-growing threat to homes across the country. Indeed, NOAA reports that the average annual cost of billion-dollar disasters has already escalated from $27 billion in the 1990s to $81 billion in the 2010s. Beyond disaster recovery, additional federal support is needed for mitigation programs that support at-risk communities in efforts to improve the resiliency of their housing stocks.

Another unmet housing need is for home modifications that enable older households to remain in place as they age. Within the next two decades, the number of households headed by people age 75 and over is projected to double from 14 million to 28 million. At that stage of life, mobility typically becomes more limited. At last measure in 2011, however, only 3.5 percent of the US housing stock provided three critical accessibility features—a no-step entry, single-floor living, and extra-wide doorways and halls—that help households with reduced mobility to live safely and comfortably in their homes. Given that many of these home modifications would be beyond the means of most low- and moderate-income homeowners and rental property owners, expanded tax credit or grant programs would be necessary to subsidize the costs.

The American Jobs Plan would address many of these needs, proposing $213 billion to construct, preserve, and retrofit two million housing units, including retrofitting the homes of low- and moderate-income owners to improve energy efficiency and resiliency. The proposal also includes $40 billion to repair and update the energy efficiency of public housing. While the fate of this proposal is uncertain, there can be no question about the need for substantial investments in the nation's housing stock to reduce the residential sector's contributions to greenhouse gas emissions, safeguard homes and residents against severe weather, preserve the existing supply of affordable housing, and prepare for a rapidly aging society.

THE OUTLOOK

The unprecedented events of 2020 both exposed and amplified the impacts of unequal access to decent, affordable housing. For households with secure employment and good-quality housing, their homes provided a safe haven from the pandemic. But for the millions of households that lost income and are still struggling to cover their housing costs, their situations are anything but secure. These disparities are likely to persist even as the economy recovers, with many lower-income households slow to regain their financial footing and facing possible eviction or foreclosure.

At the same time, though, demand for homeownership is likely to remain robust as the huge millennial generation continues to move through the prime ages for forming households and buying homes. Although the supply of existing homes for sale is at a record low, the subsiding pandemic and resumption of more normal activity should encourage more owners to put their homes on the market. An expanded supply of for-sale homes would help to slow the meteoric rise in house prices, but new construction also has to pick up substantially to keep homeownership relatively affordable.

Certain impacts of the pandemic on housing markets are probably temporary—most notably, the drop in high-end urban rental demand. Indeed, early signs suggest that the reopening of offices, universities, restaurants, and other amenities is already bringing renter households back to city centers. However, the growing demand for suburban and exurban living may be a more enduring shift, particularly if working from home becomes common practice. If freed from the requirement to commute every day, many more households will seek out lower-cost housing away from employment centers.

In the longer term, impending demographic changes cloud the housing outlook. Falling birth rates, sharply lower immigration, and higher-than-expected mortality rates have already left population growth at its lowest level in 100 years. Although this slowdown may help to alleviate the current imbalance between housing demand and supply, it also has serious implications for the broader economy. To sustain vibrant housing markets, policymakers must take measures now to reinvigorate population growth through increased immigration, promote higher birth rates through support for working families, and reduce the drag on economic growth from income and wealth disparities.

The Biden Administration has proposed a major increase in federal funding for affordable housing that would move the nation closer to achieving those goals. The plan would substantially expand support for renters and homeowners alike, addressing the need for a broader and stronger housing safety net while also closing the racial and ethnic disparities in housing markets. The profound disruptions of the past year have made clear how urgent these bold steps have become.

2 HOUSING MARKETS

The homebuying market remained hot even as the COVID-19 pandemic moved into its second year. Sales of both new and existing homes soared in early 2021 amid low interest rates and strong demand. In combination with record-low inventories, the homebuying frenzy has helped to push up home prices by double digits. Rents have also started to recover from last year's drop. After years of underbuilding, housing developers have finally responded to favorable market conditions, with production increasing in line with projected household growth.

CONTINUING SURGE IN HOME SALES

Despite a sharp drop at the onset of the pandemic, home sales bounced back quickly in 2020. Several factors helped to buoy sales, starting with record-low mortgage interest rates. The pandemic itself drove up demand for more private living space, particularly among the higher-income households that were least affected by the economic downturn. The aging of the millennial generation also helped by lifting the number of households in their peak homebuying years.

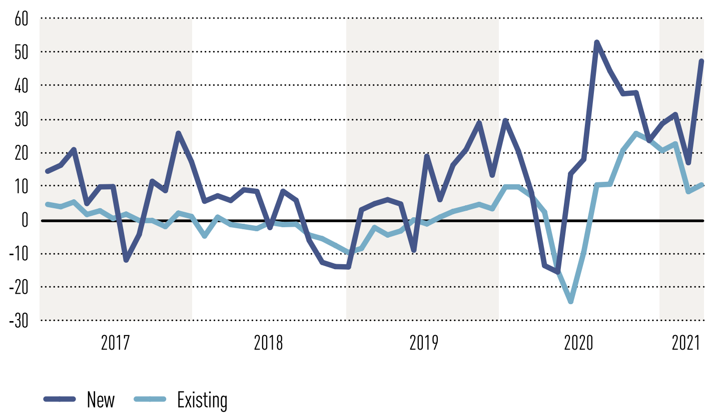
Even after a 26 percent year-over-year plunge in May, sales of existing homes increased 5.6 percent for the year, to 5.64 million units. Single-family home sales were especially strong, up 6.3 percent to 5.07 million units **(Figure 6)**. Meanwhile, condo and co-op sales fell slightly for the third straight year, to 578,000 units. Sales rose across the country, with growth in the South (7.4 percent) and the Midwest (6.4 percent) far outpacing increases in the West (2.7 percent) and Northeast (1.4 percent). Existing home sales continued to gather steam in the first quarter of 2021, up 15 percent on average.

Sales of newly built single-family homes rebounded even more rapidly. Following a 16 percent year-over-year drop in April, new home sales jumped 53 percent in July, to 972,000 units at a seasonally adjusted annual rate. For 2020 as a whole, sales of new single-family homes were up 20.4 percent, to 822,000 units—the highest mark since 2006. New home sales were strong across all regions of the country, increasing 29 percent in the Midwest, 23 percent in the Northeast, 20 percent in the West, and 19 percent in the South. Robust growth continued in the first quarter of 2021, with seasonally adjusted single-family sales averaging 32 percent gains and running at an annual rate of 921,000 units.

FIGURE 6

After a Brief Pause Early in the Pandemic, the Pace of Home Sales Has Been Brisk

Year-over-Year Change in Single-Family Home Sales (Percent)

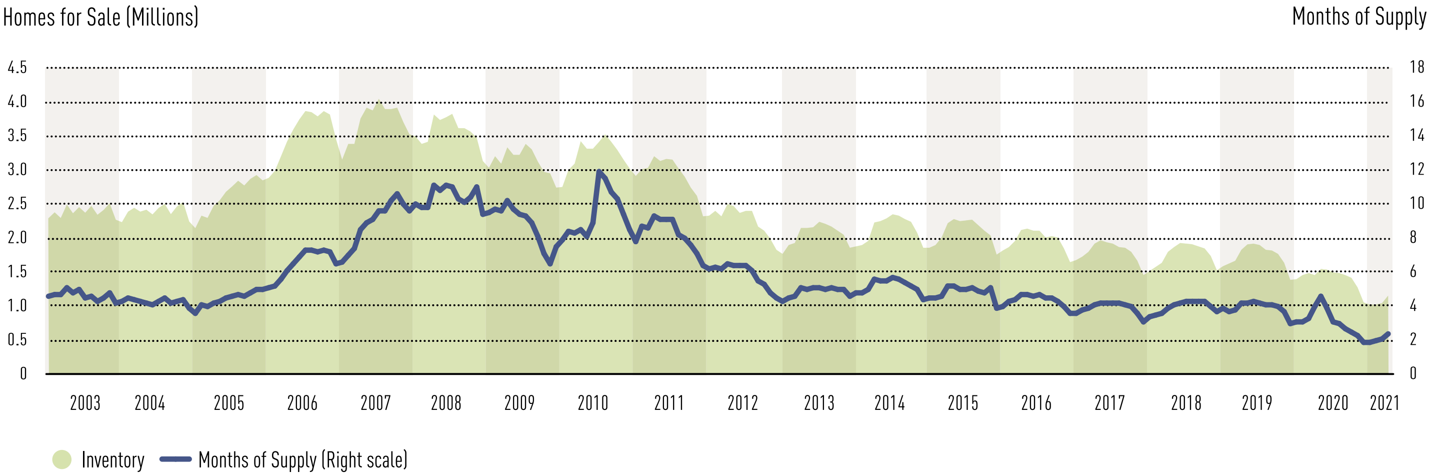


Source: JCHS tabulations of NAR, Existing Home Sales; US Census Bureau, New Residential Sales.

Metro-level home sales followed a similar pattern. Early in 2020, slightly more than half of the 95 large markets tracked by Zillow posted year-over-year increases in sales. But after stumbling in April and May, sales were on the rise in fully 89 metros by the end of the year. Indeed, growth exceeded 50 percent in five markets, including Baltimore (63 percent), Milwaukee (57 percent), and New Haven (53 percent). The six metros with year-over-year declines included Wichita (down 17 percent) as well as Ogden and Boise City (both

FIGURE 7

Inventories of Homes for Sale Fell to a Record Low in Early 2021



Note: Months of supply measures how long it would take the number of homes on the market to sell at the current rate, where six months is typically considered a balanced market.
Source: JCHS tabulations of NAR, Existing Home Sales.

down 1 percent), where sales growth was especially constrained by limited supply.

While still a small share of the market, sales of second homes also surged since the start of the pandemic. These purchases are important because they take inventory off the market without adding to the supply of primary homes for sale. Redfin reports that mortgage rate locks on second home purchases were up more than 80 percent year over year every month from June 2020 through April 2021—about twice the rise in those on primary home purchases. National Association of REALTORS® (NAR) data echo the strength of demand, indicating that 68 percent of vacation homes on the market in September 2020 sold in less than one month. On average, only 20–40 percent of vacation homes sold that quickly from 2017 through early 2020.

INCREASINGLY ACUTE SHORTAGE OF HOMES FOR SALE

The supply of existing homes for sale has never been tighter. By NAR's count, there were 1.03 million existing homes on the market in February 2021, down from an already low 1.46 million a year earlier **(Figure 7)**. This amounts to a 29 percent decline in just one year and a 37 percent drop in two years. Single-family homes accounted for only 870,000 of the existing units available—the lowest level in records dating back to 1982.

The decline in the supply of new single-family homes for sale was somewhat more modest. After starting the year at 329,000 units, the number of new homes available bottomed out at 283,000 units in August—a year-over-year drop of 13 percent. New home inventory, which includes homes under construction, picked up to more than 300,000 units from December 2020 through March 2021 as housing production increased. Even so, supplies were still down 8 percent on average from the same period a year earlier.

Measured by months of supply (how long it would take for homes on the market to be sold at the current sales rate), inventories of existing homes for sale fell from 3.0 months in December 2019 to 1.9 months in December 2020. The supply of single-family homes was even tighter at just 1.8 months, marking the first dip below 2.0 months since recordkeeping began in the early 1980s. As a rule of thumb, a balanced market has about 6.0 months of available inventory.

Supply constraints are nearly universal. Inventories in 87 of the 95 markets tracked by Zillow fell year over year in December 2020, up from 31 markets in December 2019. The number of homes available for sale fell by more than 30 percent in 14 of these metros, with the largest drops in mid-sized markets in the West, including Provo (43 percent) and Boise (40 percent). Declines were also severe in certain metros in the South, ranging from 34 percent to 36 percent in Augusta, Columbia, Jackson, and Raleigh. While still historically tight, for-sale inventories increased in some higher-cost markets, especially those on the West Coast, including San Francisco (50 percent), San Jose (45 percent), and Seattle (16 percent).

The pandemic is partially to blame for such tight conditions. As the COVID-19 virus spread in the spring, many potential sellers pulled their homes off the market while others delayed listing their homes for sale. Because of the limited inventory, any home that went on the market sold almost immediately. Indeed, the typical home listed for sale on Zillow was available for 14 days in December before a pending sale, less than half the median of 35 days a year earlier.

But the biggest reason behind the constraints on supply is the underproduction of new homes since the mid-2000s. New construction creates housing choices for current homeowners who want to move, freeing up existing units for other buyers. Without that option, owners are more likely to remain in place. As a result, only a consistent increase in housing construction over a period of years will provide meaningful growth in inventory in many of today's tight markets.

HOUSING CONSTRUCTION AT NEW HIGHS

Like home sales, new residential construction rebounded quickly in the summer of 2020 and continued at a strong pace through early 2021. Housing starts climbed 6.9 percent last year to 1.38 million units—the highest output since 2006 when production reached 1.80 million units. Completions were also up 2.5 percent to 1.29 million units, while permitting rose 6.1 percent to 1.47 million units.

For the first time in three years, single-family construction drove the increase in production in 2020. Starts of single-family homes jumped to 991,000 units—a 12 percent gain for the year and the biggest percentage increase since 2013 **(Figure 8)**. But even these impressive numbers probably understate the strong upturn. After dropping to 685,000 units in April at a seasonally adjusted annual rate, single-family starts averaged 1.16 million units from August 2020 through March 2021. This represents a substantial pickup from the previous 13 years when starts consistently lagged below the one-million mark.

Meanwhile, multifamily housing construction dipped 3 percent last year, to 389,100 units, but remained on par with the elevated pace maintained since 2014. Indeed, multifamily starts topped 350,000 units just once in the 24 years from 1990 through 2013, but then exceeded that level for the next seven years. Starts accelerated further in the first quarter of 2021, averaging a robust 446,000 units at a seasonally adjusted annual rate.

Housing construction has finally approached levels consistent with projected demand. From June 2020 through March 2021, total starts averaged just over 1.5 million units at a seasonally adjusted annual rate, in line with the Joint Center's housing demand projections calling for production of 1.5 million units annually in 2018–2028. Although those projections do not account for lower-than-expected population growth in the past few years, the low level of homebuilding since the mid-2000s likely means that new supply has not yet caught up with demand. In fact, Freddie Mac estimates that the housing supply at the end of 2020 was 3.8 million units short of the level needed to match long-term demand.

SHIFTING LOCATION AND SIZE OF NEW HOMES

When suddenly under stay-at-home orders in March 2020, many households found the need for more living space to accommodate the dramatic changes in their work, school, and leisure activities. The pandemic thus fueled already hot demand for single-family homes, the type of housing typically found in communities outside of major urban centers.

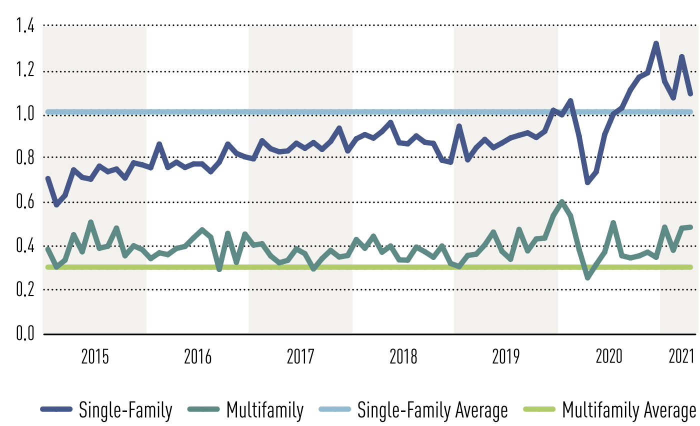
As a result, total permitting increased 12 percent in the suburban counties of large metros last year, but fell 2 percent in the core counties of these markets. Permitting also rose 10 percent in smaller metros and 9 percent in non-metro areas. Growth was largely on the single-family side, with double-digit increases in single-family permits in the suburban counties of large markets (17 percent), smaller metros (15 percent), and non-metro areas (12 percent). About a third (303,000) of all single-family permits were issued in the suburban counties of large markets in 2020, while another 38 percent were issued in small and midsized markets **(Figure 9)**. Single-family permitting in the core counties of large metros also rose 8 percent last year, to 212,000 units.

Meanwhile, multifamily permits in core areas fell 10 percent in 2020, but at 250,000 units, construction remained close to the elevated levels of the past half-decade. Following substantial increases in 2019, the numbers of multifamily permits issued in the suburban counties of large markets and in smaller metros declined 2 percent last year. Permitting in non-metro areas, however, was unchanged.

FIGURE 8

The Pace of Both Single-Family and Multifamily Construction Has Exceeded Historical Averages for Nearly a Year

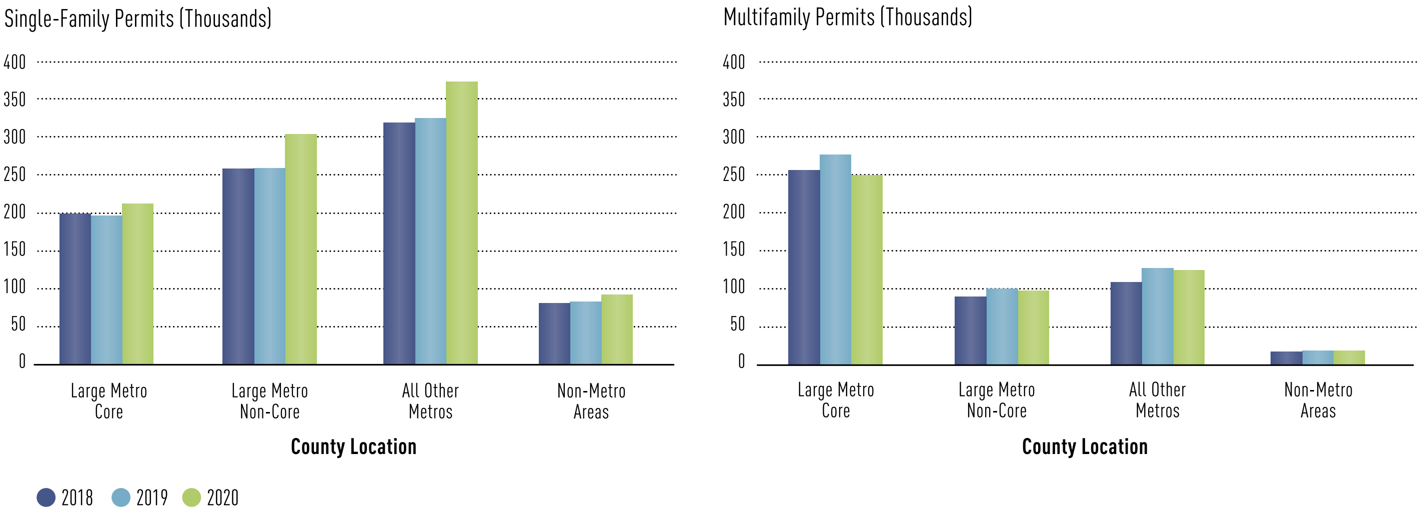
Annualized Housing Starts (Millions of units, seasonally adjusted)



Note: Single-family and multifamily historical averages are of seasonally adjusted monthly data from January 1990 to March 2021.
Source: JCHS tabulations of US Census Bureau, New Residential Construction data.

FIGURE 9

Single-Family Construction Continued to Strengthen Across Markets Last Year Even as Multifamily Construction Hit a Pause, Particularly in Core Counties



Notes: Large metro areas have at least one million residents. Core counties contain either the largest city in the metro area or any city with over 250,000 residents. Non-core counties are all other counties in large metro areas.
Source: JCHS tabulations of US Census Bureau, Building Permits Survey via Moody's Economy.com.

With more young and first-time homebuyers entering the market, demand for smaller, more affordable homes was on the increase in 2019. Completions of single-family homes with less than 1,800 square feet rose 13 percent that year, to 217,000 units, slightly outpacing the 11 percent increase in midsized units (1,800–2,999 square feet). The share of larger homes (at least 3,000 square feet) declined 4 percent. Even so, smaller units accounted for only 24 percent of completions in 2019, about the same as in 2018 but well below the 32 percent share averaged from 1999 to 2011.

When the COVID-19 pandemic hit, demand for larger homes again increased. As a result, the median size of newly started single-family homes fell only slightly from 2,271 square feet in 2019 to 2,265 square feet in 2020. The size of typical new homes inched up by another 0.2 percent in the first quarter of 2021 from a year earlier.

Still, the need for new homes at a variety of price points will only increase as more millennial homebuyers come into the market. Newly built units, however, are typically more expensive than existing homes. According to CoreLogic, new homes accounted for almost a fifth (19 percent) of premium home sales nationally (in the top third by price) from October 2019 through September 2020, but just 6 percent of entry-level sales (in the bottom third). However, new construction does provide more than 10 percent of entry-level housing in nearly a quarter of the 100 large markets that CoreLogic tracks. Most of the metros with large shares of new entry-level homes—including Dallas (18 percent), Phoenix (14 percent), and Denver (11 percent)—are moderate-cost markets with substantial new construction.

CONTINUING CONSTRAINTS ON RESIDENTIAL DEVELOPMENT

Restrictive land use regulations are among the most significant barriers to housing production. A 2018 survey of land use practices in nearly 2,800 communities found that 93 percent imposed minimum lot sizes in their jurisdictions. Some 40 percent of these communities set a one-acre minimum, including 27 percent with two-acre minimums. The stringency of these requirements varied by region, with 61 percent of jurisdictions in the Northeast imposing at least a one-acre minimum, compared with 36 percent of communities in the Midwest, 32 percent in the South, and 29 percent in the West.

In addition, some land use and zoning practices, as well as other local and state requirements, restrict the amount of land available for development. These regulations can raise the cost of land, especially in markets where demand is strong. According to FHFA estimates, the median land value of a quarter-acre lot occupied by an existing single-family home was $163,500 in 2019, some 60 percent higher than in 2012. Among the nation's 100 largest markets, median land prices were highest on the West Coast, particularly San Jose ($1.2 million), San Francisco ($945,900), and Honolulu ($786,500). In contrast, median land values were below $50,000 in 38 large markets located outside the West.

Many communities also require multiple approvals for residential developments. While ensuring that legitimate public concerns are addressed, these approvals mean delays, uncertainty, and additional costs for developers. The process for approving construction of single-family units takes about 2.5 months on average if the project is permitted under existing rules and 4.3 months if special approval is required. For multifamily projects, the average review times are 3.1 months and 4.9 months, respectively.

The cost and availability of labor is yet another issue for homebuilders. The average hourly wage in the construction industry increased by 2.8 percent in March 2021 from a year earlier, to $32.25 per hour. The steady rise in wages may eventually help to attract workers from other fields or those returning to the labor market as the pandemic continues to subside. As it is, though, the number of job openings in construction fell sharply on a 12-month rolling basis from 309,000 in early 2020 to 268,000 in early 2021, but remained about twice the 130,000 openings averaged from 2000 to 2016.

However, the NAHB/Wells Fargo Housing Market Index indicates that the top concerns for homebuilders in 2020 were the scarcity and cost of building materials, likely exacerbated by supply chain problems during the pandemic. Multifamily developers responding to the NMHC Construction Survey in early 2021 were similarly concerned, with 93 percent of firms reporting an increase in the price of materials compared with just 5 percent of firms a year earlier.

The surge in softwood lumber prices is particularly alarming, up some 83 percent year over year in March 2021 **(Figure 10)**. A recent NAHB analysis found that the jump in lumber costs added about $36,000 to the average price of a new single-family home. Given increasing costs for other common construction materials such as gypsum (up 6 percent) and concrete (up 2 percent), the price of inputs to new residential construction overall rose by a substantial 14 percent year over year in March 2021.

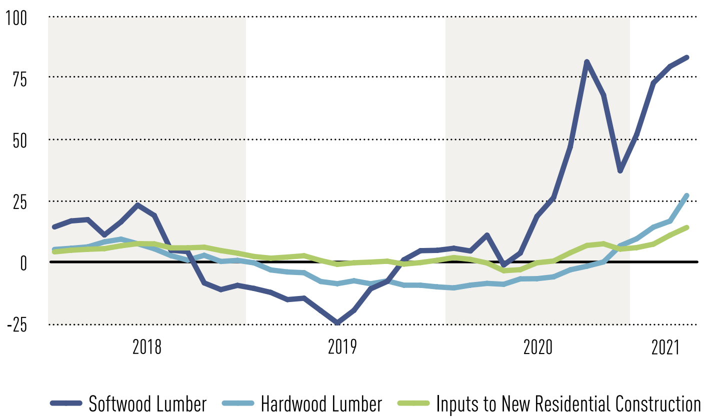
PERSISTENT CLIMB IN HOME PRICES

With inventories and interest rates at or near record lows, home prices have moved progressively higher. Year-over-year increases in the S&P CoreLogic Case-Shiller Home Price Index jumped from 4.5 percent in March 2020 to 10.4 percent in December—the first double-digit rise since 2014. Adjusted for inflation, the end-of-year increase was still a robust 9.1 percent **(Figure 11)**. The runup that began in mid-2012 and continued for over 100 consecutive months

FIGURE 10

Sharply Rising Lumber Prices Have Driven Up the Materials Costs of Residential Construction Since the Start of the Pandemic

Annual Change in Prices (Percent)



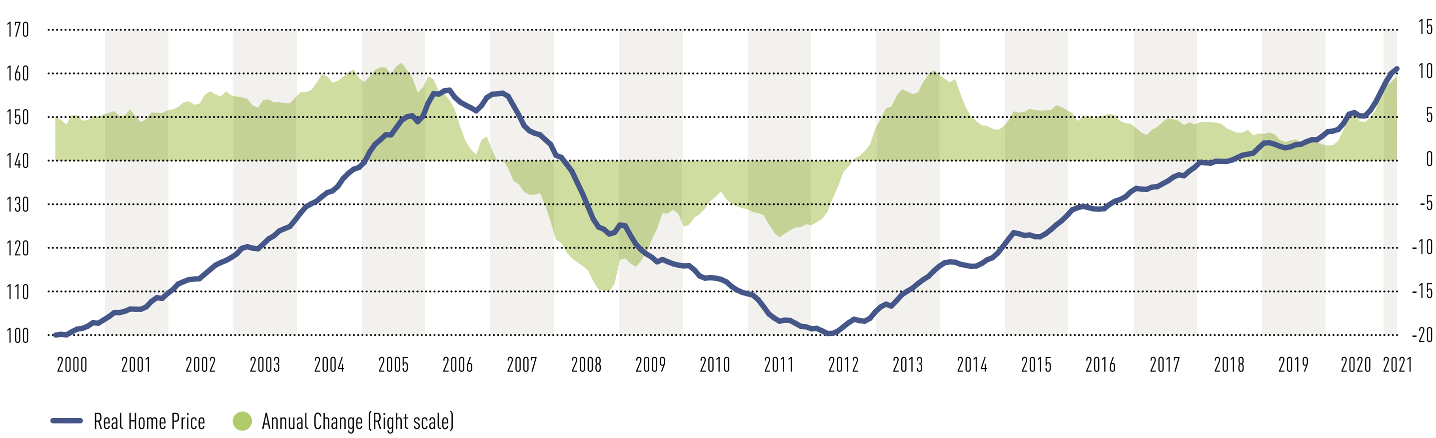
Note: Inputs to new residential construction exclude capital, labor, and imports.
Source: JCHS tabulations of Bureau of Labor Statistics, Producer Price Indexes.

FIGURE 11

Real Home Prices Have Continued to Climb for Nearly a Decade

Home Price Index

Annual Change (Percent)



Note: Real home prices are adjusted for inflation using the CPI-U for All Items less shelter.
Source: JCHS tabulations of S&P CoreLogic Case-Shiller US National Home Price Index.

thus left real home prices 2 percent above the mid-2000s peak and 60 percent above the level in 2000.

According to the FHFA Purchase-Only House Price Index, nominal home prices in the first quarter of 2021 increased by at least 10 percent in 85 of the 100 metro areas and divisions tracked by the index, up from just 5 markets the year prior. In 99 of those markets, the pace of the increases was escalating. The largest metro area gains were in Boise (28 percent), Austin (23 percent), and Tacoma (22 percent). Home prices in non-metro areas also climbed. The FHFA All-Transactions House Price Index, which generally shows slower appreciation than the Purchase-Only Index, indicates that non-metro home prices rose at a 6.0 percent annual rate at the end of 2020, up from 5.6 percent a year earlier.

Based on Moody's household income projections, the national price-to-income ratio is expected to rise from 4.14 in 2019 to 4.37 in 2020. This would mark the fifth consecutive year that the median home price was more than four times median household income. By comparison, average price-to-income ratios were considerably lower at 3.21 in the 1980s, 3.31 in the 1990s, 4.01 in the 2000s, and 3.82 in the 2010s. Ratios in the nation's 100 largest metros are expected to range as high as 10.9 in San Jose, 9.5 in Honolulu, and 9.4 in Los Angeles, and as low as 2.5–2.6 in Scranton, Syracuse, and Toledo.

Meanwhile, home prices and rents have diverged sharply. Zillow reports that typical home values rose 9.1 percent nationally in January 2021, up from 3.7 percent a year earlier. At the same time, rent growth slowed from 2.9 percent to just 1.2 percent. This divergence is widespread, with home price growth exceeding rent growth in all 99 large metros that Zillow tracks.

The different trajectories of home prices and rents reflect fundamental market forces. On the demand side, low interest rates have given a big lift to home prices but have had little immediate effect on rents. In addition, the financial fallout from the pandemic has been much less detrimental to the older, higher-income households who typically buy homes than to younger, lower-income households who typically rent. Pandemic conditions also increased demand for suburban living where owner-occupied housing predominates and reduced demand in urban areas where rental housing is concentrated. These conditions left a growing supply of rental housing, particularly in high-end markets in select metro areas, even as the inventory of for-sale homes reached an all-time low.

RAPID HOME PRICE GROWTH IN COMMUNITIES OF COLOR

From December 2019 to December 2020, typical home values increased in about 27,300 of the nearly 30,000 zip codes tracked by Zillow. In a third of those zip codes, home price appreciation exceeded 8 percent, including over half of the neighborhoods where people of color were in the majority. Home values in these communities rose 9.3 percent on average over the year, far faster than the 7.7 percent increase in majority-white neighborhoods.

Price growth in communities of color also outran metro-wide averages in 47 of the 50 largest markets in December 2020. In Philadelphia, for example, prices in the 51 neighborhoods where people of color made up at least half the population rose by an average of 14.3 percent—3.5 percentage points faster than the average for all 353 metro-area zip codes. In Atlanta, home prices in communities of color were up 10.6 percent, outpacing metro-wide gains by 1.4 percentage point.

Home price appreciation where people of color are in the majority has in fact exceeded metro-area averages for several years. Even so, prices have not returned to their mid-2000s peaks in many cases. In the 18,000 zip codes with Zillow home prices dating back to 2004, typical home values in 19 percent remained below peak in 2020. Yet in the 3,000 communities where people of color were in the majority, the share below peak was much higher at 26 percent. In the 616 majority-Black neighborhoods, the share was higher yet at 36 percent.

Still, rising home prices mean rising equity for current owners, which could offer some buffer against the income losses that many households of color suffered during the pandemic. But the long-term lag in home prices in communities of color highlights the disadvantages that homeowners in these neighborhoods face in attempting to build wealth and secure their financial futures.

THE OUTLOOK

Given the extremely limited supply of homes for sale across the country, prices will likely continue to rise for the foreseeable future even if interest rates tick up and more sellers put their homes on the market. But in the longer term, robust growth in housing construction will be necessary to temper conditions in some of today's overheated homebuying markets. However, homebuilders will need to meet the growing demand for homes of various sizes and at different price points, especially as millennials become a dominant force in the market.

3 DEMOGRAPHIC DRIVERS

Early estimates suggest that the pandemic did little to interrupt the ongoing rise in household growth, with millennials continuing to head up new households at a strong clip. As these young adults marry and have children, they are reinforcing household growth outside of urban centers. The economic disruption caused by the pandemic did, however, widen already large inequalities in income and wealth. On top of slowing population growth, these persistent disparities prevent people of color and those with lower incomes from forming their own households, in turn reducing longer-term demand for housing.

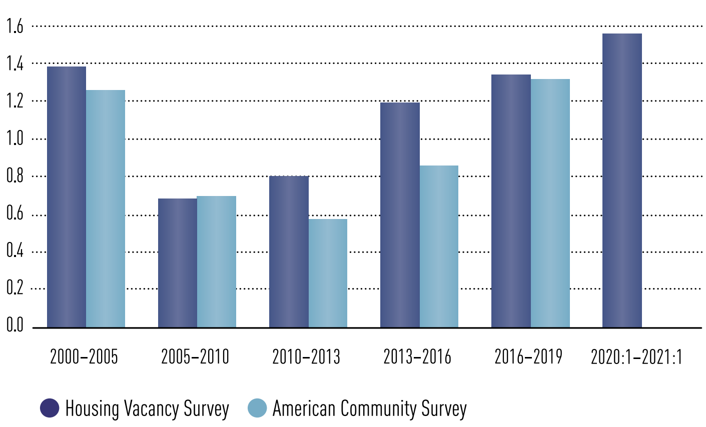
UPTICK IN MILLENNIAL HOUSEHOLDS

The pandemic hit at a time when household growth, the primary driver of housing demand, was strong and accelerating. By American Community Survey estimates, the number of US households increased by 1.3 million per year on average from 2016 to 2019—significantly faster than the 856,000 annual increases averaged in 2013–2016. Housing Vacancy Survey data also put average annual household growth at 1.3 million in 2016–2019, comparable to the level averaged in the early 2000s **(Figure 12)**. By both of these measures, household growth had been running well above the 1.2 million mark—the pace that Joint Center projections suggest would be due to population growth and demographic shifts alone.

FIGURE 12

Early Evidence Points to a Consistent Pickup in Household Growth Despite the Pandemic

Average Annual Increase in Households (Millions)



Note: Estimate for 2021:1 is the year-over-year change in the first quarter.
Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys and American Community Survey 1-Year Estimates.

Rising headship rates among young adults (the share heading their own households) explain this uptrend. Until recently, the millennials (born 1985–2004) had not formed independent households at a pace similar to that of previous generations at the same ages. In fact, American Community Survey data show that the number of households headed by adults under age 35 declined for most of the 2010s even though the population in that age group was soaring. Since 2016, however, household formation rates among millennials have been rising. Indeed, adults under age 35 have made increasingly large contributions to overall household growth, accounting for an additional 250,000 households annually in 2016–2019 **(Figure 13)**. Headship rates among 35–44 year olds also increased over that period, adding 200,000 households in that age group each year.

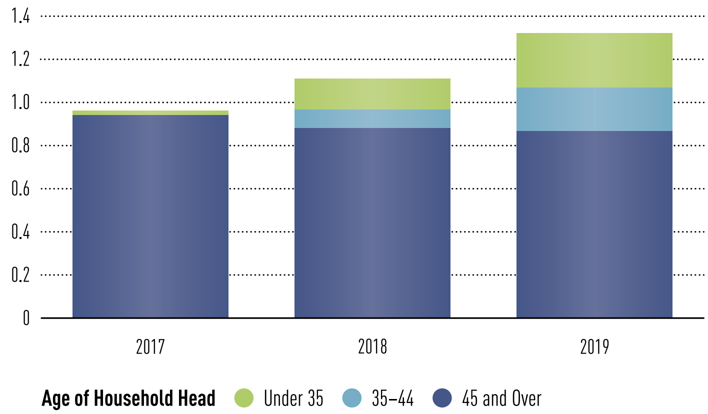
The economic shutdowns starting in March 2020 had only a limited and temporary impact on headship rates and therefore on household growth. When the unemployment rate spiked to 14.8 percent in April, many young workers were unable to sustain their own households and moved back in with their parents. However, once job growth began to revive in the fall, the increase in young adults living with parents and the decline in their headship rate were nearly reversed by the end of the year **(Figure 14)**. According to Housing Vacancy Survey data, the total number of households was up by 1.5 million in the first quarter of 2021 from a year earlier, largely on the strength of higher headship rates among these young adults.

The surprising resilience of household formations among the millennial population suggests that their generation will continue to lead the growth of housing demand. The headship rates of adults under age 35 are still historically low and therefore have room to increase. In addition, the older millennials are moving into the 35-44 year old age group, a stage of life when headship rates are consistently higher. While slowdowns in national birth and death rates are becoming increasingly evident, higher household formation rates among the millennial generation will likely offset those drags on household growth in the near term.

FIGURE 13

Younger Adults Have Given an Increasingly Large Lift to Household Growth

Annual Household Growth (Millions)



Note: Data are 3-year rolling annual averages to reduce volatility.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

CHANGES IN RESIDENTIAL MOBILITY

Early in the lockdown, most households chose to stay put. Nearly twice the share of respondents to Fannie Mae's National Housing Survey for the third quarter of 2020 said that they delayed (11 percent) rather than accelerated (6 percent) their moves. Renewals of rental leases thus hit record highs in April 2020, while existing home sales were down 27 percent in May from a year earlier.

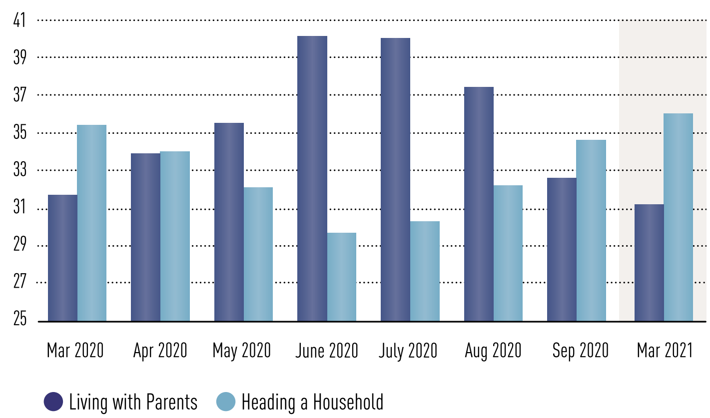
As the months wore on, however, the pace of residential moves picked up. Historically low mortgage interest rates encouraged a spate of homebuying, lifting existing home sales by more than 20 percent year over year from September 2020 through January 2021. A growing number of urban renters—particularly those with higher incomes—also moved out of apartments where they were paying a premium for proximity to job centers and other amenities. Many of these households either bought homes or relocated to rentals in the suburbs, but others simply moved to nearby apartments that were offering rent concessions or at least lower costs. Indeed, RealPage data indicate that renter retention rates in urban areas fell much more than rental occupancy rates, implying that many households either traded up to higher-quality apartments or sought out lower-rent units within the city.

With the reopening of businesses, restaurants, entertainment venues, demand for rental housing in prime urban areas started to revive in early 2021, giving another boost to residential mobility. As pandemic-related restrictions continue to ease and vaccination rates increase, more homeowners will become comfortable putting their homes on the market and more potential buyers will consider relocating. Many conditions that encourage homebuying are already in place, including low interest rates, a growing number of households at the prime ages for first-time homeownership, changing needs for living space, and increased ability to work from home. However, the persistent shortage of homes for sale is a significant constraint on purchases and therefore on overall residential mobility rates.

FIGURE 14

After Retreating to Their Parents' Homes Last Summer, Many Young Adults Were Living on Their Own Again by Early 2021

Share of Non-Student Population Aged 18–29 (Percent)



Note: Data exclude people enrolled full time in college or university.
Source: JCHS tabulations of US Census Bureau, Current Population Survey via IPUMS CPS, University of Minnesota, www.ipums.org.

POTENTIAL IMPACTS OF A SHIFT TO REMOTE WORK

Even before the pandemic began in March 2020, household growth in the suburbs of large metros and in small metros had been on the increase **(Figure 15)**. In part, this shift reflects the fact that the large millennial population was reaching the ages when they typically have children and move from urban rentals to larger homes. Those homes are often single-family units in outlying communities where more space is available at a price they can afford.

The pandemic thus helped to accelerate these moves, particularly among younger households that were already contemplating a home purchase to stop paying the high rents charged in prime urban locations. Record-low interest rates provided a strong incentive to buy, while the increased savings afforded by the economic shutdown gave some the additional means to do so.

The need for more space to work comfortably from home was yet another impetus to move. In 2019, the American Community Survey indicated that just 5.7 percent of the labor force worked from home full time. In May 2020, however, the Bureau of Labor Statistics reported that the share working from home because of the pandemic stood at 35.4 percent. Although the total share working from home receded to 18.3 percent by April 2021, large portions of certain groups continued to work remotely, including over a third of workers with college degrees and nearly half of workers in business and financial operations.

Now, more than a year after lockdowns began in March 2020, many employees are set up to work at home and have the experience to do so productively. While most would prefer to continue to do so at least part of the week, employers are less sold on the idea. A January 2021 PricewaterhouseCoopers survey shows that over half of employees (55 percent) would like to work remotely at least three days a week, but only a quarter of executives expected many or all office employees to work at home for a significant share of the workweek after the pandemic ends. Still, more than 70 percent of executives also planned to increase spending on virtual collaboration tools and manager training, and about half planned to invest in systems that would support hybrid working models, such as hoteling apps for shared desks and communal office space.

If lasting, the increase in remote work could profoundly reshape housing demand, albeit in potentially conflicting ways. On the one hand, homebuyer surveys indicate that those expecting to work from home look for larger houses, which usually means living in suburban or exurban communities. This would reinforce the concentration of household growth in outlying areas. On the other hand, research has also shown that remote workers desire easy access to stores, transit, and other amenities, which means that they would be more drawn to urban settings. The extent to which employees are able to work remotely after the pandemic, and how much impact a major shift to this practice would have on neighborhoods and the built environment, are thus unclear.

Meanwhile, working from home is not an option for more than half of the US labor force, particularly those in the leisure and hospitality, healthcare, services, and education sectors. Even so, they could still benefit if remote work becomes commonplace among workers in other professions. For example, less competition for prime urban locations could make housing near job centers more affordable. And with fewer people traveling to work at peak hours, commute times might improve. Research from before the pandemic suggests, however, that these indirect benefits may take years to develop and could easily be offset by other factors. For example, improvements in commuting times are often short-lived because the shorter travel times tend to attract more commuters.

DIVERGING TRENDS IN INCOMES AND WEALTH

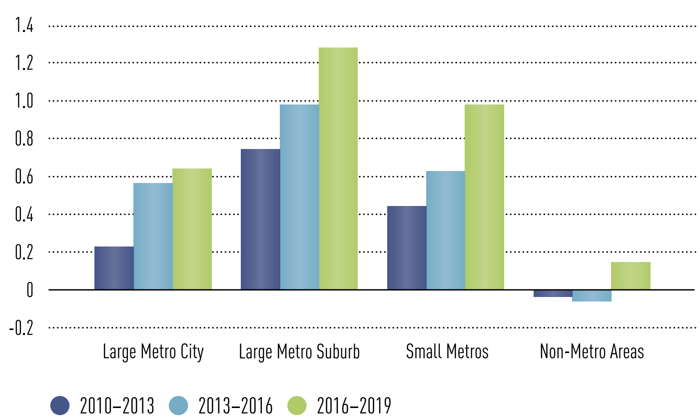
With fewer opportunities to spend money as well as significant cash infusions from the federal government, many households with stable jobs were able to reduce their expenses and even build wealth during the pandemic. In fact, the personal saving rate rose from 7.6 percent of disposable income in January 2020 to an all-time high of 33.7 percent in April 2020. For many homeowners, these savings came on top of a jump in housing wealth propelled by rising home prices. And for many renters, the extra cash provided an opportunity to pay down debt or save for a downpayment on a home.

At the same time, though, soaring job losses left millions of other households in dire straits. The US lost 22 million jobs between February and April 2020 when employment in food services and in the leisure and hospitality industries dropped by nearly half.

FIGURE 15

Household Growth Outside the Cities of Large Metro Areas Was Accelerating Well Before the Pandemic

Change in Households (Millions)



Notes: Large metro areas have at least one million residents. City tracts are either in the metro's principal city or in cities with populations over 100,000. All non-city tracts in metro areas are suburban.
Source: JCHS tabulations of US Census Bureau, American Community Survey 5-Year Estimates.

By early 2021, fully 43 percent of all households—including 53 percent of renters—reported lost income due to the pandemic. The diverging circumstances between those with the resources to weather the economic shutdowns and those struggling to simply stay afloat thus widened already large inequalities in income and wealth.

The Household Pulse Surveys reveal stark disparities driven by differences in educational attainment and income. In early 2021, nearly half (48 percent) of the households that lost income due to COVID-related factors earned less than $50,000, and nearly three quarters (74 percent) were headed by someone without a college degree. Meanwhile, households with higher incomes and advanced education were much less affected during the lockdowns because they were more likely to be able to work remotely. Indeed, a 2020 report from the Bureau of Labor Statistics found that 67.5 percent of workers with a bachelor's degree worked in occupations that could be done from home, compared with just 24.5 percent of workers with only a high school diploma.

The ability to withstand a temporary loss of income depends largely on having a reserve of wealth. In this case, homeowners have a huge advantage over renters. At last measure in 2019, the median wealth for homeowners was $254,900—more than 40 times the $6,270 median for renters **(Figure 16).** Even excluding home equity, the median wealth of owners was $98,500, or more than 15 times that of renters.

There are also significant differences in household wealth and financial resiliency by race and ethnicity. Indeed, a November 2020 survey by the Federal Reserve found that just 45 percent of Black adults and 47 percent of Hispanic adults would have enough cash to pay for an unexpected expense of $400, compared with 72 percent of white adults. Overall, the median wealth of white households was more than seven times that of Black households and over five times that of Hispanic households. Although smaller, the differences in wealth among only homeowners are still considerable. For example, the median net wealth of Black homeowners was over 60 percent less than that of white homeowners and over 30 percent less than that of Hispanic homeowners.

Inequalities in household wealth are even greater when measured by income, leaving lowest-income households particularly at risk in the event of a job loss. The median net wealth of households in the top income quartile in 2019 was 60 times that of households in the bottom quartile. Indeed, the top 1 percent of households by income held more wealth ($35.7 trillion) than the bottom 90 percent ($22.6 trillion). Meanwhile, the typical renter in the bottom income quartile had just $1,900 in total wealth—less than one month's usual expenditures for this group—including only $360 in cash savings.

Even lowest-income households that own homes are vulnerable to job losses because much of their wealth is tied up in home equity—

FIGURE 16

Wide Disparities in Wealth Leave Renters at a Large Disadvantage in the Housing Market

Median Household Wealth (Dollars)

	Owners	Renters	All Households
All Households	254,900	6,270	121,760
Race/Ethnicity			
Black	113,130	1,830	24,100
Hispanic	164,800	5,800	36,050
Asian and All Other Races	299,000	6,710	74,500
White	299,900	8,900	189,100
Income Quartile			
Bottom	108,100	1,900	10,700
Lower Middle	161,000	8,300	64,800
Upper Middle	240,200	20,700	164,000
Top	703,000	154,000	627,000

Notes: White, Black, and Asian and all other race households are non-Hispanic. Hispanic households may be of any rac
Source: JCHS tabulations of the Federal Reserve Board, 2019 Survey of Consumer Finances.

an asset that is difficult to access quickly and without cost. Indeed, while homeowners in the bottom income quartile had a median net wealth of $108,000, their median cash savings amounted to just $1,500. One in three of these homeowners had less than $500 in cash.

THE IMPENDING DRAG OF SLOWER POPULATION GROWTH

New Census Bureau estimates indicate that US population growth slowed again last year, dipping to 0.35 percent from July 2019 to July 2020. The addition of just 1.15 million people was about half the 2.37 million originally projected. The unexpected weakness of population growth reflects a combination of factors, including higher-than-predicted death rates and lower-than-predicted birth rates among the resident population, as well as the more than 50 percent drop in international immigration from 2016 to 2020.

COVID-19 was of course a large contributor to the increase in deaths last year, responsible for more than 384,000 fatalities according to provisional CDC data. The ongoing opioid crisis also added to the count, with drug overdoses reaching a record high in May 2020. Meanwhile, the US fertility rate declined 4 percent last year, resulting in the fewest births since 1979. The Brookings Institution estimates that the number of births in 2021 will also be 300,000 below normal due to the pandemic. Moreover, the CDC reduced the estimated life expectancy for those born between 2019 and the first half of 2020 by one full year.

The halt in immigration in April 2020 also pulled down overall population growth, reducing the number of net new immigrants to 477,000 for the year. As it was, international immigration had already fallen 47 percent from 1.07 million per year in 2016 to 570,000 in 2019 **(Figure 17)**. The size of this decline is significant because immigrants account for such a large share of both population growth and household growth. Indeed, foreign-born residents contributed about a third of the nation's population growth in 2010–2019, along with 40 percent of household growth.

Immigration is particularly critical to sustaining population growth in large cities and stabilizing the populations in rural areas. For example, the population of New York City would have declined by more than a quarter-million between 2010 and 2019, but instead grew by 160,000 with the arrival of nearly 500,000 international immigrants. Similarly, in rural counties with declining populations, gains from immigration over the decade have stemmed even greater losses. If international immigration remains as constrained as it has been since 2017, population losses across the country will increase in scale and scope, not only dampening household growth but also destabilizing local economies.

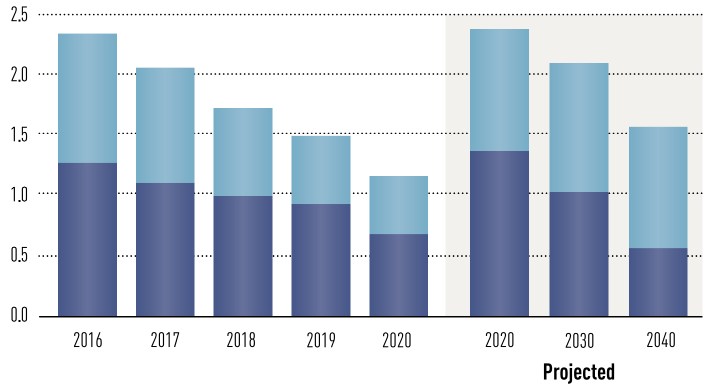
Low immigration levels translate directly into slower household growth and therefore into weaker housing demand. Assuming that the Census Bureau's low-immigration projection of roughly 600,000 net new immigrants per year in 2018–2028 stands, the Joint Center's household growth projections for that period would be reduced by 1.8 million, from 12.2 million to 10.4 million.

So far, though, household growth measures do not reflect the impacts of slowing population growth for several reasons. First of all, the overall aging of the population continues to have a large positive impact on household growth because the likelihood of heading a household increases with age. Rising headship rates among younger adults are also giving a large and growing boost to household growth. Moreover, much of the slowdown in resident population growth is due to lower birth rates and fewer children under age 18—cohorts that are too young to form households and therefore not affecting current growth rates. And finally, since the majority of immigrants do not immediately form their own households upon arriving in this country, the drag on household growth from lower immigration only becomes apparent over time.

FIGURE 17

Sharp Declines in Both Natural Increase and Immigration Left Population Growth in 2020 at Half Its Previously Projected Levels

Year-over-Year Change in US Population (Millions)



Note: Natural increase is the difference between the number of births and the number of deaths in the resident population.
Source: JCHS tabulations of US Census Bureau, vintage 2020 Population Estimates and 2017 Population Projections.

THE OUTLOOK

Despite the unprecedented economic and social disruption caused by the pandemic, the rebound in headship rates among the millennial generation should prop up household growth in the near term even as overall population growth slows. The aging of this large generation into their 30s will likely increase demand for single-family homes in suburban and exurban areas. If working at home full time becomes common practice post-pandemic, this change could also reinforce the shift in housing demand away from expensive urban locations.

But over the longer term, lower-than-expected birth rates and drastic cuts to immigration have exacerbated the slowdown in population growth, potentially dragging down future household growth. Policies providing greater support for working families could eventually counter the current decline in birth rates and ultimately boost housing demand. But immigration is the only demographic driver of demand that could rebound quickly with more supportive federal policies in place.

Efforts to reduce the many stark economic disparities in US society would also lift future housing demand. The combination of low incomes and high housing costs limits the ability of many young adults to form their own households and to remain securely housed. Indeed, as the last year has demonstrated, the loss of steady incomes and lack of savings have left millions of households—particularly those of color or with low incomes—at risk of eviction or foreclosure, fueling even greater inequality.

4 HOMEOWNERSHIP

Despite the economic contraction, the national homeownership rate increased again in 2020 amid strong demand from younger and higher-income households. But fierce competition for the limited supply of homes for sale has pushed up prices to new heights and left many potential buyers on the sidelines. Since many of these would-be owners are lower-income households and households of color, these conditions have reinforced longstanding disparities in homeownership. Meanwhile, millions of current owners are behind on their mortgage payments and at risk of foreclosure when forbearance programs end this year.

RISING DEMAND FOR HOMEOWNERSHIP

The national homeownership rate continues to edge up. According to the Housing Vacancy Survey, the national homeownership rate stood at 65.6 percent in the first quarter of 2021, a 0.3 percentage point increase from a year earlier **(Figure 18)**. Preliminary Census Bureau data also show that the number of homeowners rose by about 1.3 million over this period, consistent with average annual gains from 2016 to 2019.

Households under age 35 made the largest advances over the past year, continuing the uptrend that preceded the pandemic. Homeownership rates for this age group increased 0.8 percentage point from the first quarter of 2020 to the first quarter of 2021. This followed a 2.2 percentage point rise between the 2016 low and 2019. These large homeownership gains were fueled in part by strong income growth. While incomes for all age groups rose throughout the 2010s, households under age 35 posted the largest increase of 21 percent over the decade.

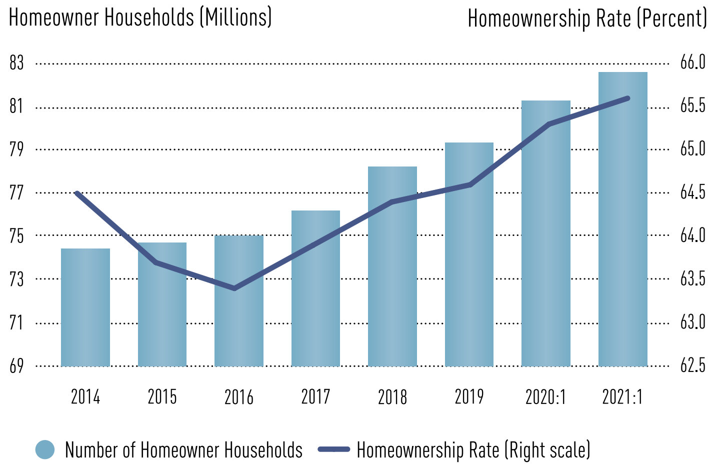
The homeownership rate for households aged 35–44 also climbed in early 2021, up 0.5 percentage point from a year earlier, while the rates for the 45–54 and 55–64 year-old age groups fell slightly. Meanwhile, the homeownership rate for households age 65 and over increased by 0.6 percentage point. Although the rate for these older adults declined slightly in 2016–2019, the aging of the baby-boom generation meant that the number of older homeowners still grew by some 800,000 per year over that period—far exceeding the 500,000 annual increase in homeowners in all other age groups combined.

HIGHER PRICES LIMITING AFFORDABILITY

Following a steady downtrend since the third quarter of 2019, the 30-year fixed mortgage rate hit a record low of 2.70 percent in the first week of January 2021. Although rates then began to tick up, they were back below 3.00 percent again in May. Such low rates have helped to hold down the monthly costs of homeownership amid the sharp

FIGURE 18

Despite the Pandemic, the National Homeownership Rate Remained on the Rise Over the Past Year



Notes: Data for 2014–2019 are annual. Data for 2020 and 2021 are for the first quarter.
Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

rise in prices. Indeed, typical monthly homeowner costs rose just 2.2 percent in 2020, keeping real payments at the 1990 level **(Figure 19)**.

In combination with extremely limited supply, however, low interest rates have also helped to fuel the rapid climb in home prices. NAR reports that the median sales price of homes jumped 28 percent from $233,000 in December 2016 to $299,000 in December 2020. From December 2019 to December 2020 alone, the median sales price increased by 10 percent.

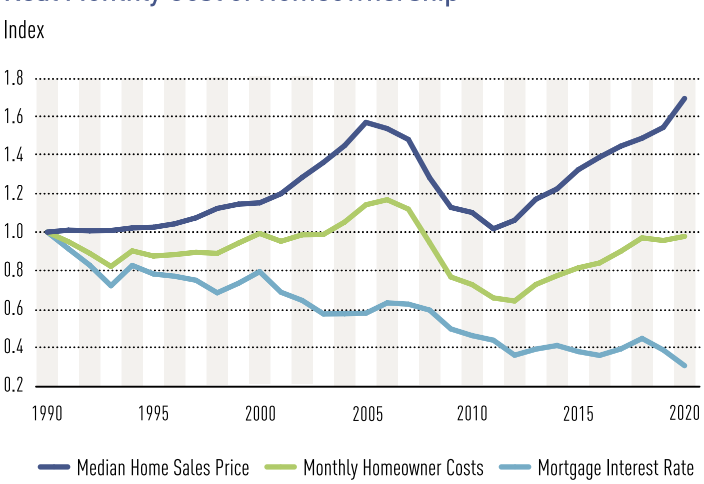
Higher home prices present a substantial hurdle for would-be buyers by increasing the upfront costs of ownership. A recent report from Realtor.com shows that the median price of a primary home purchased in April 2020 by households aged 25–40 was $280,800. At that price, potential homebuyers would have to come up with $15,400 to cover a modest 3.5 percent downpayment and 2.0 percent closing costs—well above the savings of the typical renter in that age group. As prices continue to rise, so too will downpayment requirements, forcing many potential homeowners to either delay their purchases or take on mortgages with very low downpayments and the added costs of mortgage insurance.

But even if potential buyers have sufficient savings, high housing prices still shut many households out of the homeowner market. A recent Joint Center analysis found that the median-income renter could not afford the monthly payments on the median-priced home in more than half of US states in 2019. And in high-cost markets, households with moderate to high incomes also struggled to buy homes. For example, renters in California, Hawaii, and the District of Columbia had to earn 120 percent or more of the area median income to afford the median-priced home. In another five states (Colorado, Idaho, Oregon, Utah, and Washington), renters had to earn 100–120 percent of the area median income.

Given rapidly rising home prices and the economic challenges facing many low- and moderate-income households during the pandemic, the households able to buy homes last year generally had relatively high incomes. According to NAR's Profile of Home Buyers and Sellers, the median income of households purchasing homes between April and June 2020 ($110,800) was well above that of households purchasing homes from July 2019 and March 2020 ($94,400). The homes themselves were also substantially more expensive, with a median price of $339,400 compared with $270,000. Indeed, almost a quarter (23 percent) of the households that bought homes between April 2020 and June 2020 paid $500,000 or more.

FIGURE 19

Declining Interest Rates Have Offset the Rise in Home Prices, Preventing a Sharp Increase in the Real Monthly Cost of Homeownership



Notes: House prices and monthly homeowner costs are adjusted to 2020 dollars using the CPI-U for All Items less shelter. Monthly homeowner costs assume a 3.5% downpayment on a median-priced, existing single-family home (including condos and coops); property taxes of 1.15%, property insurance of 0.35%, and mortgage insurance of 0.85%.
Source: JCHS tabulations of Moody's Analytics estimates; US Census Bureau, Current Population Surveys; and Freddie Mac, Primary Mortgage Market Surveys.

FINANCIAL FALLOUT FROM THE PANDEMIC

Despite having higher incomes and wealth on average than renters, many homeowners were also financially stretched last year. Household Pulse Surveys from the first quarter of 2021 indicate that nearly 40 percent of homeowners had lost income due to the pandemic, and 9 percent were behind on their mortgage payments.

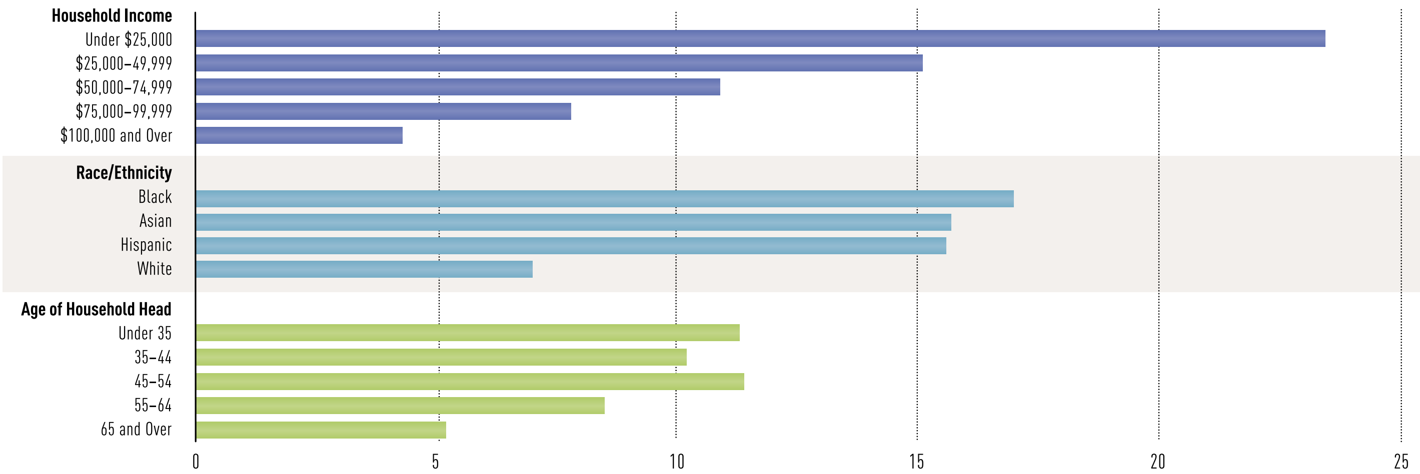
Homeowners of color were hit especially hard by income losses, given that they were more likely to be employed in the service industries with the most drastic job cuts. Half (50 percent) of Hispanic homeowners lost income by the first quarter of this year, somewhat higher than the 43 percent share of Black homeowners, the 39 percent share of Asian homeowners, and the 35 percent share of white homeowners. As a result, 17 percent of Black, 16 percent of Hispanic, and 16 percent of Asian homeowners were behind on their mortgage payments in early 2021—more than twice the 7 percent share of white homeowners **(Figure 20)**.

Low-income homeowners were also more apt to be in arrears. In fact, the share of homeowners making less than $25,000 that were behind on their payments actually increased from 20 percent in August 2020 to 24 percent in the first quarter of 2021. Meanwhile, 15 percent of homeowners with incomes of $25,000–49,999 were also delinquent, along with 11 percent of homeowners with incomes in the $50,000–74,999 range. In contrast, just 5 percent of homeowners earning at least $75,000 were behind on their mortgages in early 2021. Age of the household head is also a factor, with owners under age 55 twice as likely to be in arrears (11 percent) than older owners (5 percent).

FIGURE 20

Large Shares of Low-Income Homeowners and Households of Color Were Behind on Their Mortgages in Early 2021

Share of Homeowners Behind on Payments in 2021:1 (Percent)

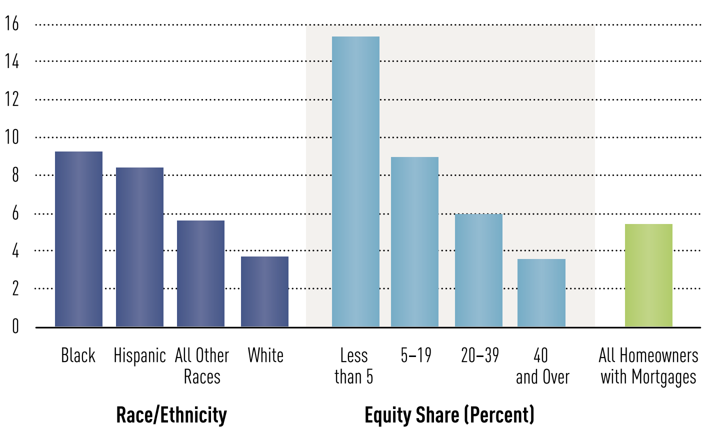


Notes: Households behind on their mortgages reported that they were not caught up at the time of the survey. Household income is for 2019. Black, Asian, and white households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, January–March 2021.

FIGURE 21

Homeowners of Color and Borrowers with Little Equity Were Especially Likely to Be in Forbearance in Early 2021

Share of Mortgage Holders in Forbearance (Percent)



Notes: Data exclude first liens on manufactured homes. White, Black, and all other race borrowers are non-Hispanic. Hispanic households may be of any race. Equity share is the homeowner's equity as a share of home value. All mortgages in forbearance include loans only on single-family homes.
Source: Consumer Finance Protection Bureau, Characteristics of Mortgage Borrowers During the COVID-19 Pandemic, March 2021.

POTENTIAL RISKS FOR BORROWERS IN FORBEARANCE

Under the CARES Act, the federal government imposed moratoriums on foreclosures and mandated mortgage payment forbearance programs to protect delinquent homeowners from losing their homes. According to Black Knight, 7.1 million homeowners (14 percent of all mortgage holders) entered into forbearance during the pandemic. Of these, 4.8 million (68 percent) had exited the programs by March 2021. A large majority of those borrowers had either resolved the delinquency (65 percent) or paid off their loans (23 percent). A small share (8 percent) were engaged in loss mitigation with their lenders, and the remaining 4 percent were delinquent.

However, some 2.3 million homeowners were still in active forbearance in early 2021. Homeowners in these circumstances were more likely to be households of color and/or have little equity in their homes **(Figure 21)**. A recent Consumer Financial Protection Bureau report found that 9.2 percent of Black and 8.4 percent of Hispanic mortgage holders were in forbearance in March 2021, considerably higher than the 3.7 percent share of white mortgage holders. In addition, 15 percent of borrowers with less than 5 percent equity were in forbearance, compared with just 3 percent of borrowers with at least 40 percent equity.

Forbearance will end by July 2021 for most of this group. At that point, owners must engage with lenders to resolve their accumulated delinquencies. But because these borrowers are especially likely to have suffered sustained income losses, it may be difficult for them to make up for their missed mortgage payments as well as property taxes and homeowner insurance premiums. Lenders often resolve delinquencies by adding the accumulated debt to the mortgage and extending the loan term to cover the costs, but this solution presumes that borrowers can again make full monthly payments.

For homeowners in forbearance and unable to resume payments, selling may be the best option. Again, though, this would not be a solution for borrowers with high debt and limited equity. Black

Knight estimated that, as of January 2021, about a fifth (22 percent) of the borrowers still in forbearance would have less than 10 percent equity left at the end of their 18-month forbearance period if their accumulated mortgage, property tax, and insurance payments were added to their loan balance. The share for borrowers with FHA- and VA-insured loans in a similar situation is even higher at 36 percent. Having this little equity would make it difficult for owners unable to resume their mortgage payments to sell their homes with enough proceeds to resolve their debt.

The American Rescue Plan Act passed in March 2021 includes $10 billion to help struggling homeowners avoid foreclosure or forced sales by making up for a broad range of missed mortgage payments and even reducing outstanding principal. This funding could provide a critical lifeline not only for owners facing the loss of their homes, but also for the other 30 percent of mortgage borrowers and manufactured home owners that were ineligible for forbearance programs.

SURGE IN REFINANCING ACTIVITY

Record-low interest rates fueled a refinancing boom last year. The Mortgage Bankers Association reported nearly $2.4 trillion in mortgage refinances in 2020, more than double the volume in the prior year and the highest annual dollar total since 2003 **(Figure 22)**.While purchase origination volumes also increased from $1.2 trillion to $1.4 trillion, the refinancing share of total mortgage loan volume jumped from 45.6 percent in 2019 to 61.0 percent in 2020.

Along with favorable interest rates, rising home prices encouraged many owners to tap their growing equity. According to Freddie Mac, homeowners took the opportunity to cash out $48.0 billion in net home equity in the fourth quarter of 2020, a substantial increase from $34.3 billion a year earlier but still well short of the $108.1 billion peak in the second quarter of 2006.

For homeowners able to refinance, the savings were significant. Freddie Mac found that borrowers lowered their interest rate from 4.3 percent to 3.1 percent on average, the largest reduction since the second quarter of 2015. Indeed, borrowers that refinanced their 30-year fixed mortgages without taking out equity saved more than $2,800 in principal and interest payments annually on average.

High-income borrowers benefited the most from refinancing last year. Recent research from Freddie Mac shows that borrowers in the top income quintile were five times more likely to refinance than those in the bottom income quintile. The disparity in refinancing rates between high- and low-income homeowners in 2020—and in the amount of savings each group realized—is unusually wide and further evidence of how the pandemic has exacerbated inequalities.

Households of color have historically been less likely to refinance than white households and therefore among those who also missed out on these savings. Research suggests that households of color may be deterred from refinancing by relatively high denial rates and limited funds to cover the upfront costs. Only about a quarter of Hispanic and Asian homeowners and a fifth of Black homeowners refinanced their mortgages in 2019, compared with a third of white homeowners.

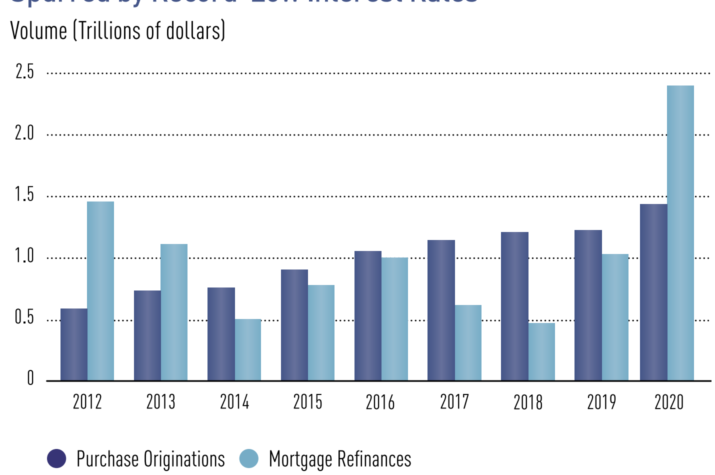
Black owners in their 30s and 40s have particularly low refinancing rates. Indeed, just 9.6 percent of Black homeowners aged 35–44 refinanced their mortgages in 2019, compared with 23.7 percent of same-aged white homeowners. Although refinancing rates by race and ethnicity tend to converge by age 75, homeowners of color that do not refinance earlier in life lose out on savings that would otherwise accrue throughout their prime wealth-building years.

PERSISTENT GAPS IN HOMEOWNERSHIP

Although racial and ethnic disparities in homeownership rates exist across the board, the difference between Black and white households is especially large. The Black-white gap reached a record 30.4 percentage points in 2018 before narrowing slightly to 29.9 percentage points in 2019. American Community Survey data indicate that the homeownership gap exists across all age groups but is the widest (33.8 percentage points) among households in the prime homebuying years of 35–44 **(Figure 23)**. Even among households age 65 and over, the ages when homeownership rates are typically highest, the difference in Black-white rates was still 20.3 percentage points.

FIGURE 22

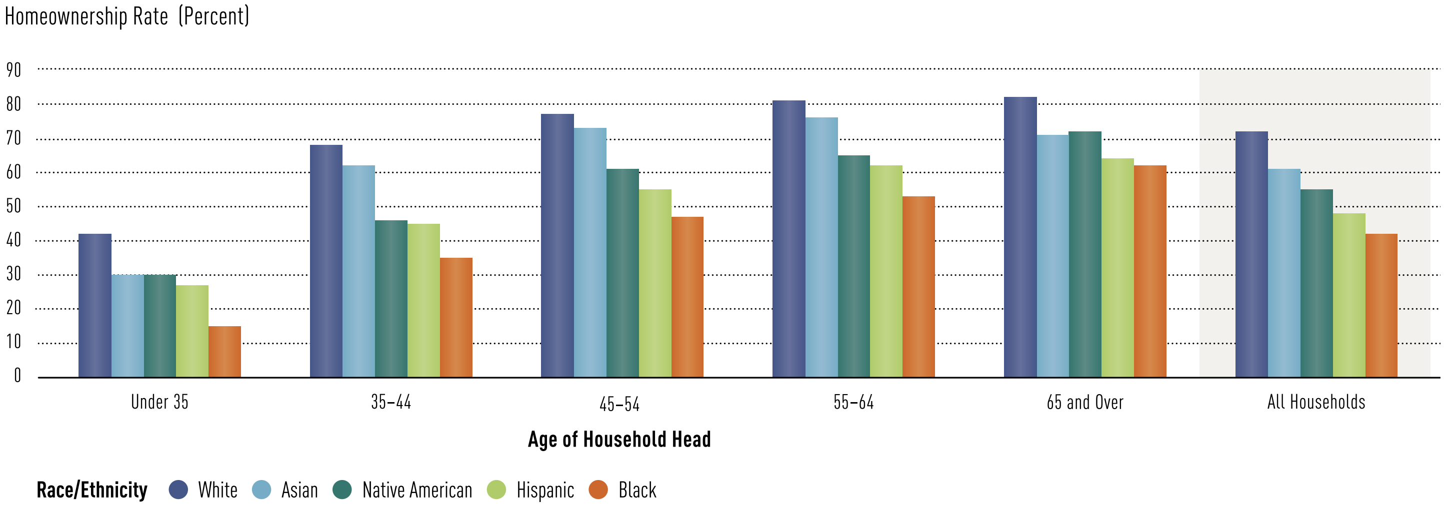
Mortgage Refinancing Activity Surged Last Year, Spurred by Record-Low Interest Rates



Note: Data are benchmarked to annual Home Mortgage Disclosure Act (HMDA) data, adjusted for market coverage.
Source: JCHS tabulations of Mortgage Bankers Association data.

FIGURE 23

Homeownership Gaps for Households of Color Persist Across All Age Groups



Notes: White, Asian, Native American, and Black households are non-Hispanic. Hispanics may be of any race.
Source: JCHS tabulations of US Census Bureau, 2019 American Community Survey 1-Year Estimates.

The wide disparity among older households had in fact inched up from 19.7 percentage points in 2018, which may indicate that Black baby boomers—who were hit especially hard during the Great Recession—had not recovered fully from those setbacks as they reached retirement age. At the same time, though, the Black-white homeownership gap for households under age 35 did improve slightly from 27.4 percentage points in 2018 to 26.7 percentage points in 2019.

Reflecting longstanding inequalities in economic opportunity, income disparities are a key factor in Black-white homeownership gaps. Lower incomes limit the ability of would-be buyers to save for a downpayment and to qualify for a mortgage. In 2019, the median income of Black households was $43,000, far lower than the $71,000 median income of white households.

But even controlling for income, significant Black-white homeownership gaps remain. The widest disparity was among households with incomes between $30,000 and $44,999, at 29.0 percentage points in 2019. But the gap for households earning $75,000 to $99,999 was still 21.0 percentage points. And even among those with incomes of $100,000 and above, the difference in homeownership rates between Black and white households was 14.1 percentage points.

Homeownership disparities for Hispanic and Asian households have improved more than for Black households, in part because of their higher incomes. The Hispanic-white gap narrowed from a peak of 25.9 percentage points in 2013 to 24.1 percentage points in 2019, while the Asian-white gap shrank from a peak of 14.5 percentage points in 2011 to 11.9 percentage points in 2019. Meanwhile, the median income of Hispanic households in 2019 ($55,000) was more than 20 percent lower than that of white households, but some 27 percent higher than that of Black households. The median income for Asian households ($92,000) was not only 30 percent higher than that of white households, but also more than double that of Black households.

CONTINUING CONSTRAINTS ON WEALTH & CREDIT ACCESS

Along with income disparities, longstanding differences in wealth make it especially difficult for renter households of color to save to buy first homes. Survey of Consumer Finances data show that median net wealth was $1,800 for Black renters, $6,000 for Hispanic renters, and $8,330 for white renters in 2019. Although increasing in recent years, the net wealth of Black and Hispanic renters remained low in absolute terms as well as relative to that of white renters. The wealth gap between Black and white renters in 2016–2019 was unchanged at $6,500, while the Hispanic-white gap decreased slightly from $3,350 to $2,330.

Wealth gaps are even larger for households under age 35, leaving young Black renter households at a large and growing disadvantage in the homebuying market. Indeed, the median net wealth of Black renters under age 35 fell 6 percent from $479 in 2016 to just $450 in 2019, while the median net wealth of same-age white renters rose by 51 percent, from $4,700 to $7,100.

Access to mortgage credit is another major barrier for households of color, especially under today's tight credit conditions. The Urban Institute's Housing Credit Availability Index was at a record low in the third quarter of 2020, indicating that lenders were imposing extremely stringent credit standards. Although the MBA's Housing Affordability Index showed a slight easing at the beginning of January 2021, credit availability was still at its tightest level since 2014.

Credit history is a key factor in mortgage loan approvals, but structural racism and other systemic factors related to unemployment, income, and student loan debt all affect scores. The Urban Institute reports that median credit scores in October 2020 were about 610 for Black borrowers and 660 for Hispanic borrowers, significantly below the 745 for all borrowers of conventional loans. In addition, the shares of borrowers with subprime credit scores of 532 and below were significantly higher for Black (45 percent) and Hispanic applicants (32 percent) than for white applicants (18 percent). These differences in credit histories are one reason mortgage denial rates are noticeably higher for Black (16 percent) and Hispanic (12 percent) applicants, compared with white applicants (7 percent).

The limited availability of small-dollar mortgages (under $70,000) also makes it difficult for low-income households and households of color to buy homes. The costs of originating loans, including verifying income, assets, and home value, do not vary with the amount borrowed, and there are caps on the fees that can be charged as a percent of the loan balance. As a result, lenders seldom offer these loans. This makes financing the purchase of low-cost homes a challenge, particularly in the neighborhoods where low-income households and households of color tend to live. The difficulty of acquiring small-dollar mortgages also limits owners' ability to tap their home equity or secure loans to finance home maintenance.

THE OUTLOOK

Both the national homeownership rate and the number of homeowner households continued to rise in early 2021, boosted by low interest rates and steady gains in savings among many younger renters. The aging of the population also helped by lifting the number of households in age groups with traditionally higher homeownership rates. Today's strong demand for homeownership is thus being driven by households that put off purchases last year because of the pandemic, those who originally planned to buy this year, and those who sped up their homebuying plans because of today's favorable interest rates and concerns about further price increases.

A significant rise in interest rates could, however, temper the surge in housing demand. And as the pandemic subsides and the economy continues to recover, homeowners may feel more comfortable putting their homes on the market, which would also help to slow the pace of price appreciation. Still, high prevailing housing prices—and therefore high downpayment requirements—prevent low- and middle-income households from buying homes in many markets, particularly on the coasts. And without explicit policies designed to help close homeownership gaps, wealth disparities between households of color and white households, as well as between renters and homeowners, will remain large.

The Biden Administration has proposed new programs that would address many of the challenges present in homeownership markets. On the supply side, the proposal includes building 500,000 affordable homes for low- and middle-income buyers. The Administration is also asking Congress to authorize a grant program that would provide funding to jurisdictions that eliminate exclusionary zoning. And on the demand side, passage of any of a number of new propopsals to provide downpayment assistance to socially disadvantaged buyers would potentially bring millions of low-income households and households of color into homeownership.

More immediately, it is vital that policymakers take steps to ensure mortgage borrowers that suffered financial setbacks during the pandemic are able to stave off the loss of their homes. Indeed, 2.3 million owners are still in forbearance programs and will be under threat of foreclosure when the federal moratorium expires. Funding provided by the American Rescue Plan is available to help these struggling homeowners, but it is unclear whether this assistance will be large enough or timely enough to meet the need.

5 RENTAL HOUSING

Millions of renter households were still behind on their housing payments in the first quarter of 2021. Still, rental demand in prime urban areas was already recovering from a jump in vacancy rates earlier in the pandemic. Multifamily housing starts also bounced back from the second-quarter slowdown. But returns to rental property owners took a hit from increases in vacancy rates and operating costs, and mom-and-pop landlords were feeling the pinch of lower rent collections. Despite the recent growth in new multifamily construction, much of the nation's rental stock is older and in need of maintenance and repairs.

SHORTFALL IN RENTAL PAYMENTS

The economic shutdown beginning in March 2020 left millions of renter households out of work. The Household Pulse Surveys show that more than half of renter households (51 percent) had lost employment income due to the pandemic by late March 2021. Low-income renters and households of color were especially likely to be in financial distress.

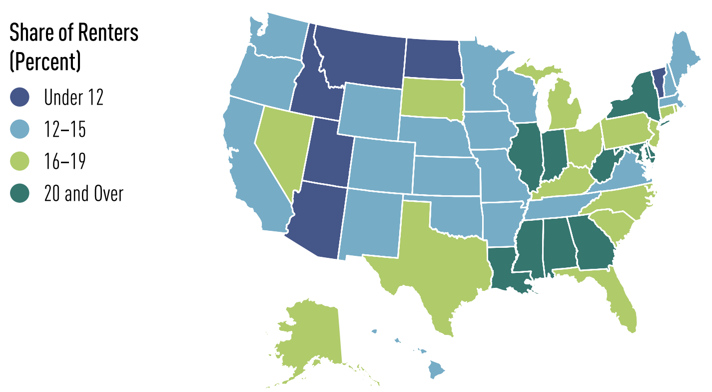
As a result of these income losses, large shares of renter households were behind on their housing payments in early 2021. Although down from a peak share of 19 percent in early January, one in seven renters was still in arrears in late March and at risk of being forced from their homes. Again, low-income renters and households of color were most likely to be behind on their housing payments, as were tenants of rental properties owned by mom-and-pop landlords.

Indeed, an Avail survey found that more than 27 percent of non-institutional rental property owners had tenants who did not or could not pay rent in September 2020. In a follow-up survey in February 2021, nearly two-thirds of these landlords (61 percent) reported at least $5,000 in lost rental income during the pandemic. The Household Pulse Surveys suggest that the shortfalls for owners of smaller properties will continue, with 18 percent of renters of single-family homes and 17 percent of renters in buildings with 2–4 units reporting they were behind on their payments in the first quarter of 2021.

The financial pressures on renters vary considerably by state **(Figure 24)**. Households in arrears on rent were primarily in the South. Mississippi was at the top of the list, with 27 percent behind on rent, followed by Delaware, Louisiana, Alabama, and Georgia. Most of these states have lower-than-average median incomes as well as higher-than-average shares of Black renter households, a group that was especially likely to have lost income during the pandemic.

FIGURE 24

More than a Fifth of Households in Several States Struggled to Pay Rent in Early 2021



Note: Households behind on rent reported that they were not caught up at the time of survey.
Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, January–March 2021.

Many of the states with the smallest shares of renters behind on housing payments were in the West and Upper Midwest, where housing cost burden rates are relatively low and the local economies are less dependent on service industries. The share of renters behind on rent was just 10 percent in Idaho and under 12 percent in Montana, North Dakota, and Utah.

In four of the 15 metros tracked by the Household Pulse Survey (Chicago, Houston, New York, and Philadelphia), the shares of households in arrears on rent were at or above 20 percent. Phoenix had the smallest share, at 11 percent. Several high-cost markets—including Boston, San Francisco, Seattle, and Washington, DC—also had relatively low shares of households behind on payments, largely because the majority of renters in these metros have relatively high incomes.

MODERATION IN RENTAL DEMAND AMID UPTURN IN SUPPLY

The pandemic came on the heels of a nationwide slowdown in renter household growth. After increasing by nearly 850,000 per year from 2004 to 2016, the number of renter households has since remained essentially flat. Indeed, the latest Housing Vacancy Survey put the total number of renter households at 43.4 million in the first quarter of 2021, just shy of the 43.5 million recorded in 2016.

After the pandemic took hold in early 2020, rental demand fell sharply. Annualized growth in the number of occupied apartments dropped from 333,000 units in the first quarter to 176,000 units in the second quarter. The decline was especially large in markets heavily affected by the pandemic, such as New York City and San Francisco.

But multifamily construction, which had been closely tracking new rental demand, continued at a brisk pace in 2020 despite a slowdown early in the pandemic. After falling to a 312,000 unit annual rate in the second quarter, multifamily starts rebounded quickly and ended the year at a total of 389,000 units, not far from the 2019 level. Completions also slowed briefly in the second quarter of 2020 but recovered quickly, climbing to 375,000 units for the year—the highest annual total since 1989.

Completions of professionally managed apartment units also rose throughout 2020, climbing from 296,000 units at an annual rate in the first quarter to 341,000 in the fourth quarter. The pace of completions picked up even further in the first three months of 2021, increasing to a 353,000 unit annual rate on average. Although net new apartment leases were also back up to a 316,000 unit annual rate, apartment completions far outpaced growth in rental occupancy **(Figure 25)**. As a result, the national vacancy rate for professionally managed multifamily rentals increased from 6.7 percent in early 2020 to 6.9 percent in early 2021.

DIVERGING TRENDS IN RENTAL SUBMARKETS

Much of the overall increase in vacancy rates reflects conditions in prime urban markets, particularly at the high end. The rate for professionally managed buildings jumped from 7.2 percent to 10.0 percent over the course of 2020, before edging back down to 9.6 percent early this year **(Figure 26)**. Vacancy rates in other urban markets rose more modestly, from 6.0 percent in the first quarter of 2020 to 6.4 percent in the first quarter of 2021.

Meanwhile, rental vacancies in suburban areas fell. Following four consecutive quarters of increases, the vacancy rate in prime suburban submarkets declined from 7.2 percent in early 2020 to 6.0 percent in early 2021. Rates in suburban markets outside of prime areas dipped as well, from 6.8 percent to 6.3 percent. The tightening of suburban markets may reflect a move of some urban renters to less expensive locations after the pandemic forced many commuters to work from home.

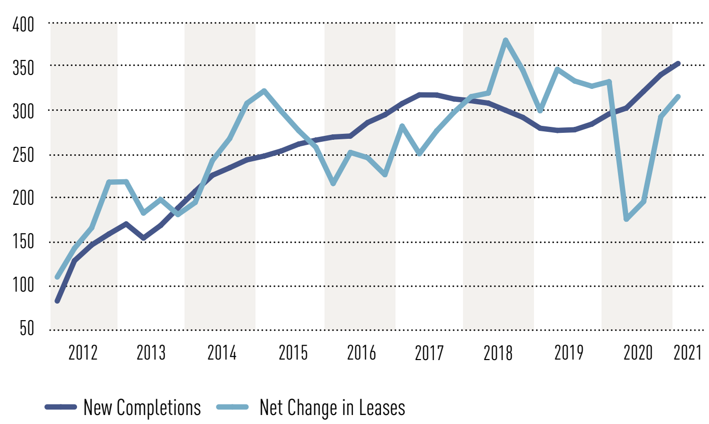
Trends in rental demand also varied by quality segment. According to CoStar data, vacancy rates in higher-quality (4 & 5 star) apartments soared to 10.5 percent in the fourth quarter of 2020, before retreating to 9.9 percent in early 2021. In contrast, the market for lower-quality (1 & 2 star) apartments remained especially tight, with a vacancy rate of just 5.2 percent in the first quarter of 2021. The vacancy rate for moderate-quality (3 star) apartments was nearly as low at 5.6 percent.

At the metro level, first-quarter 2021 vacancy rates were up year over year in about a third (48) of the 150 markets tracked by RealPage. The sharpest increases were primarily in high-cost markets such as San Francisco (up 3.0 percentage points), San Jose (up

FIGURE 25

Additions to the Rental Supply Ramped Up During the Pandemic Even as Lease Rates Fell

Units in Professionally Managed Properties (Thousands)

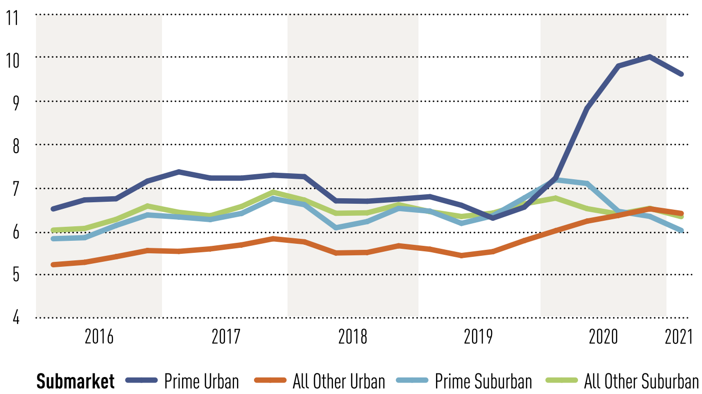


Note: Data are four-quarter rolling averages for professionally managed apartment properties.
Source: JCHS tabulations of RealPage data.

FIGURE 26

Vacancy Rates Soared in High-Rent Urban Areas Last Year, But Fell Steadily in Prime Suburban Markets

Vacancy Rate (Percent)

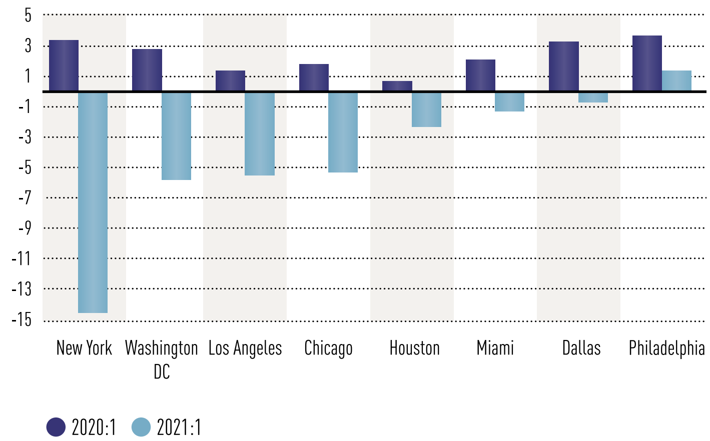


Notes: Urban/suburban areas are defined based on density in the 54 largest markets that CoStar tracks. Prime submarkets are those with the highest rents.
Source: JCHS tabulations of CoStar data.

FIGURE 27

Rents in the Nation's Eight Largest Markets Were Down Sharply in Early 2021

Year-over-Year Change in Rents (Percent)



Note: Rent changes are for the eight largest metro areas by population in 2019.
Source: JCHS tabulations of RealPage data.

2.6 percentage points), and New York (up 2.3 percentage points). At the same time, vacancy rates fell in 101 metros, with especially large declines in Riverside (down 1.9 percentage points) and Virginia Beach (down 1.3 percentage points).

SLOWDOWN IN RENT GROWTH

With vacancy rates moderating, rents followed suit with only modest gains in early 2021. The annual change in the Consumer Price Index for rent of primary residence—the broadest and most stable measure of rents—dropped from a high of 3.8 percent in March 2020 to just 2.5 percent in April 2021. This was the smallest annual increase in any month since 2012, although still substantially larger than the 1.2 percent rise in prices for all other items.

After slowing early in the pandemic, rent increases for single-family homes picked up from 3.0 percent in March 2020 to 4.4 percent in March 2021. Rents for units in professionally managed buildings also resumed their rise in early 2021, up 1.3 percent year over year nationwide after modest declines in much of 2020. Indeed, after averaging 2.7 percent annual increases in 2019, growth in rents in this segment plummeted to 1.4 percent in the first quarter of 2020 and -0.2 percent in the second, and then remained in negative territory throughout the rest of the year.

Rents in the higher-quality segment started to rebound as well, recovering from a 1.9 percent year-over-year decline in the fourth quarter of 2020 to a 0.8 percent gain in the first quarter of 2021. At the same time, rent increases for moderate-quality apartments—which slowed during the pandemic but remained positive through 2020—accelerated from 1.5 percent in the fourth quarter to 3.0 percent in the first quarter of this year. Rent growth for lower-quality apartments was essentially flat, edging up from 1.7 percent in the fourth quarter to 1.8 percent in the first quarter of 2021.

However, first-quarter rents were still declining in 25 of the 150 metros tracked by RealPage, including seven of the nation's eight largest metros **(Figure 27)**. Of this group, New York City posted the biggest drop, with rent growth plummeting from a 3.4 percent year-over-year increase in early 2020 to a 14.6 percent decline in early 2021. Rents also fell by more than 5.0 percent in Washington, DC (-5.8 percent), Los Angeles (-5.5 percent), and Chicago (-5.3 percent), all high-cost markets with economies that were especially hard hit by the shutdowns. Philadelphia was the only large metro with positive rent growth although there, too, the 1.4 percent increase was significantly smaller than a year earlier.

RENTAL PROPERTY PRICES HOLDING UP

Despite rising vacancy rates and slowing rent growth, apartment property prices were up a relatively strong 7.1 percent year over year in March 2021, according to Real Capital Analytics. Still, the increase was substantially smaller than the 10.2 percent gain a year earlier. Indeed, apart from other months in 2020, this was the smallest gain in apartment property prices since 2011.

Low interest rates encouraged a round of refinancing and helped to push up the volume of mortgage debt on multifamily properties.

Multifamily mortgage debt reached $1.7 trillion in the fourth quarter of 2020, a 1.5 percent increase from the fourth quarter of 2019. Holdings in GSE portfolios and mortgage-backed securities rose the most, up 13 percent in 2020.

Although overall mortgage debt remained on the increase, the pace of growth slowed. Multifamily mortgage originations in the first quarter of 2021 were 5 percent below the year-earlier level, with lower transaction volumes more than offsetting the strong demand for refinancing. CoStar data indicate that year-over-year growth in transaction volumes in the professionally managed market sank from a 7.5 percent increase in the first quarter of 2020 to a 71.6 percent drop in the second quarter. By the first quarter of 2021, year-over-year transaction volumes were recovering but still down 37.5 percent.

Lower returns, in combination with rising property prices, may have dampened investor interest in multifamily properties. Indeed, rising vacancy rates, declining incomes, and increased operating costs pushed rental property returns deeply into negative territory last year. The National Council of Real Estate Investment Fiduciaries reports that annualized declines in net operating incomes accelerated from 1.5 percent in the second quarter to 10.3 percent in the third and to 17.2 percent in the fourth—the largest drop since 1987. By the first quarter of 2021, net operating income was down some 14.0 percent from a year earlier.

Pandemic-related increases in operating expenses were partially to blame, given the costs of additional cleaning time and equipment, personal protective equipment for staff, and addressing greater wear and tear on the units from tenants spending so much time at home. According to a September 2020 survey by the National Apartment Association, a fifth of property owners said that their expenses had risen at least 50 percent due to the pandemic, and another fifth said that expenses were up at least 25 percent. Nearly two-thirds of respondents were also considering COVID-related capital investments, primarily to allow for social distancing in common areas.

Despite the weakness in returns, though, multifamily mortgage delinquencies increased little during the pandemic. The Mortgage Bankers Association found that only 0.7 percent of the balance of multifamily loans were 60 or more days past due as of April 2021—only slightly higher than the 0.2 percent share that prevailed in April 2020 at the onset of the pandemic. Still, individual property owners, who typically own single-family rentals or small multifamily buildings, may be particularly at risk of delinquency. For these landlords, having only a single tenant fall behind on rent means a significant loss of income. Individual property owners are also less likely than institutional investors to have sufficient cash flow to cover any shortfalls in rent collections.

LARGE BUILDINGS STILL DOMINATING CONSTRUCTION

In the years leading up to the pandemic, multifamily rental construction was increasingly concentrated in larger buildings. As construction rebounded from the Great Recession, the share of new multifamily completions of buildings with at least 50 apartments more than doubled from 30 percent in 2011 to a peak of 62 percent in 2018. Shares remained elevated during the pandemic, with fully 56 percent of newly completed rental units in 2020 located in buildings with 50 or more units.

Although most newly built rental housing still consists of multifamily units, the number of single-family homes built specifically for the rental market has also increased over the past decade. While accounting for just 12 percent of total rental construction last year, starts of single-family rentals were at a record high of 50,000 units, up from just 23,000 in 2011. The sharp uptick in demand for larger rentals in suburban locations during the pandemic may spur even more construction of this type of rental housing in the coming years.

Newer single-family rentals are typically more spacious than newer multifamily rentals, with 77 percent having three or more bedrooms compared with just 14 percent in newer multifamily units. Accordingly, households living in newer single-family rentals are more likely to be married couples (46 percent vs. 23 percent) and include children (39 percent vs. 14 percent). Tenants of single-family rentals also have a higher median income ($77,000) than renters overall ($42,000). Indeed, 38 percent earn more than $100,000, compared with just 15 percent of all renters.

BACKLOG OF MAINTENANCE NEEDS

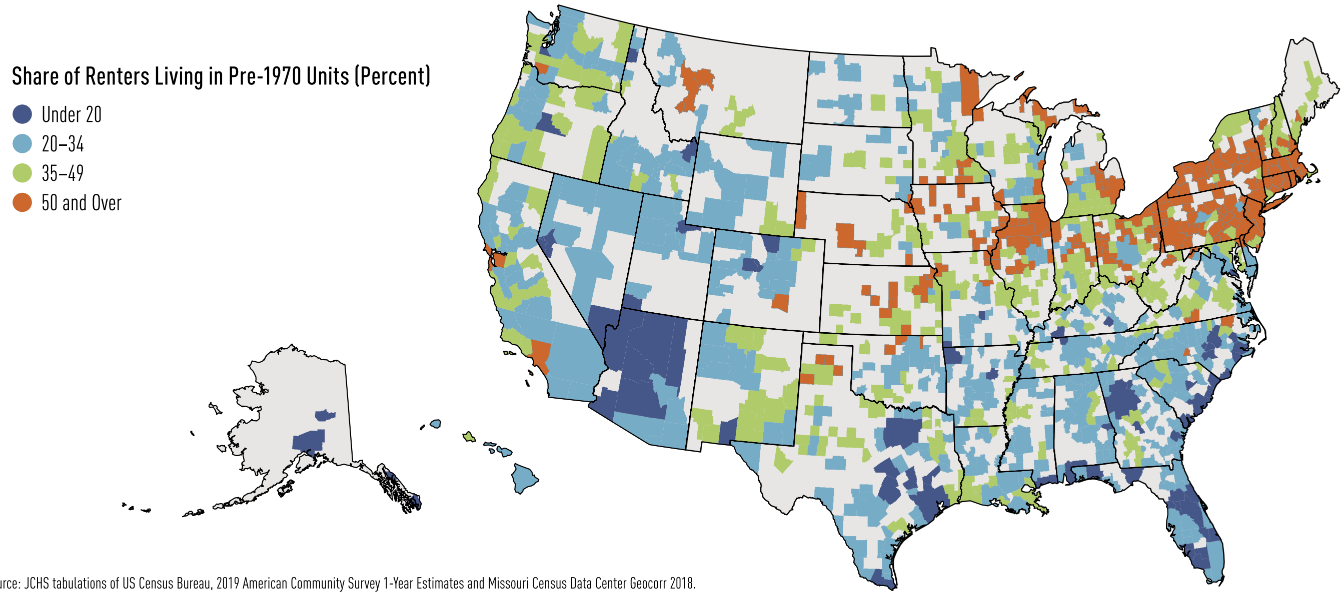
Despite the recent strength of multifamily construction, the rental stock is aging and many units are in disrepair. In 2019, some 39 percent of renter households (17 million) lived in housing built before 1970. These older units are more likely to have structural deficiencies or pose health hazards than newer units. They are also less energy efficient, less resilient to the impacts of climate change, and less likely to have accessibility features.

Much of the aging rental stock is concentrated in the Northeast, where more than 60 percent of renter households live in units that are at least 50 years old **(Figure 28)**. The Midwest has the next-highest share of renter households living in older units, at 45 percent. The shares of renters that occupy this older housing are significantly lower in the South (27 percent) and West (34 percent).

A 2019 analysis by the Federal Reserve Bank of Philadelphia and PolicyMap estimated the aggregate cost of addressing reported rental housing deficiencies at $45 billion, with median repair needs of $1,355 per unit. The findings suggest that maintenance needs

FIGURE 28

In Parts of the Northeast and Midwest, More than Half of Renter Households Live in Housing Built Before 1970



Source: JCHS tabulations of US Census Bureau, 2019 American Community Survey 1-Year Estimates and Missouri Census Data Center Geocorr 2018.

were most acute for, but not limited to, older properties occupied by lower-income households.

Indeed, housing quality is a particular challenge for the approximately 970,000 households living in public housing. The National Association of Housing and Redevelopment Officials estimated that the backlog of capital funding needed to address deficiencies in the stock of roughly one million units was $70 billion in 2019 and accruing at $3.4 billion per year.

THE OUTLOOK

When the shutdown began in March 2020, rental demand dropped sharply in prime urban markets, particularly in high-cost metros. Suddenly freed from having to commute to work, many renters sought out homes in the suburbs of large metro areas and in smaller markets where they could pay lower rents and have more private space. But by early 2021, recovery in urban rental demand was evident in most markets, with vacancy rates down and rents back on the increase.

In the near term, many households are still experiencing the direct financial fallout of the pandemic. Millions of renters are still behind on their rent payments and on the brink of eviction. Their missed payments also put financial pressure on property owners, particularly mom-and-pop owners of small rental properties with little cushion against a shortfall in rent collections. While the federal government approved substantial aid for renters in both December and March, it remains to be seen whether this assistance will reach those in need before the federal eviction moratorium ends.

The longer-term impacts of the pandemic on the location of rental demand are unclear. With the vaccine rollout and offices reopening, the public health concerns that drove some renter households out of cities are subsiding. At the same time, though, a change in employment practices allowing regular work from home could encourage more renters to move to less expensive suburban and exurban locations. The widespread income losses over the past year could also push more renter households toward lower-cost markets.

6 HOUSING CHALLENGES

The pandemic has left millions of households deeper in financial distress. Low-income households are especially likely to have lost wages and fallen behind on housing payments. Although the crisis prompted an outpouring of government assistance, this support does not begin to address longstanding issues of housing affordability. Meanwhile, many higher-income households were largely unscathed by the financial impacts of the pandemic, leaving the country even more divided between haves and have-nots. Adding to the nation's housing challenges, 2020 brought an unprecedented number of disasters that damaged thousands of homes and displaced residents.

DISPARATE IMPACTS OF THE PANDEMIC

Although widespread, the financial hardships from the pandemic have fallen largely on low-income households, and particularly households of color. The Census Bureau's Household Pulse Surveys found that 55 percent of all low-income renters in early 2021 reported having lost employment income since the start of the pandemic, along with 46 percent of low-income homeowners.

But within this income group (earning less than $25,000 in 2019), the shares ranged widely by race and ethnicity. Some 67 percent of Hispanic, 58 percent of Black, and 53 percent of Asian renters reported losing income since the start of the pandemic, compared with 49 percent of white renters. Among low-income homeowners, Hispanic households were again the most likely to have lost income (57 percent), followed by Asian (55 percent), Black (50 percent), and white (41 percent) households.

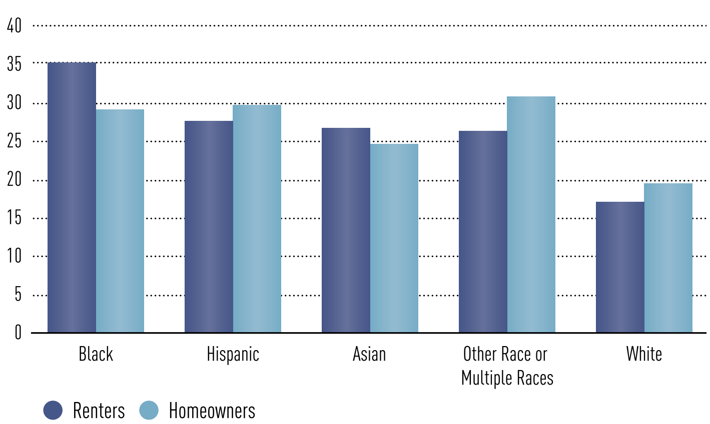
These income losses left nearly a quarter of both low-income renters and homeowners behind on housing payments at the start of 2021. Again, though, the racial disparities were pronounced **(Figure 29)**. More than a third of low-income Black renter households were behind on rent early this year, along with more than a quarter of Hispanic and Asian renters. The share of low-income white renters was significantly lower at 17 percent. These shares were similar for low-income homeowners, with just under a third of Black and Hispanic households and a quarter of Asian households behind on mortgage payments in early 2021, compared with a fifth of white households.

Falling behind on housing payments was not unique to those with the lowest incomes, however. In the first quarter of 2021, 19 percent of those earning $25,000–34,999, 16 percent of those earning $35,000–44,999, and 11 percent of those earning $50,000–74,999 also reported being behind on housing payments. The share for house-

FIGURE 29

Disproportionately Large Shares of Low-Income Households of Color Were Unable to Cover Their Housing Costs in Early 2021

Share of Low-Income Households Behind on Payments (Percent)

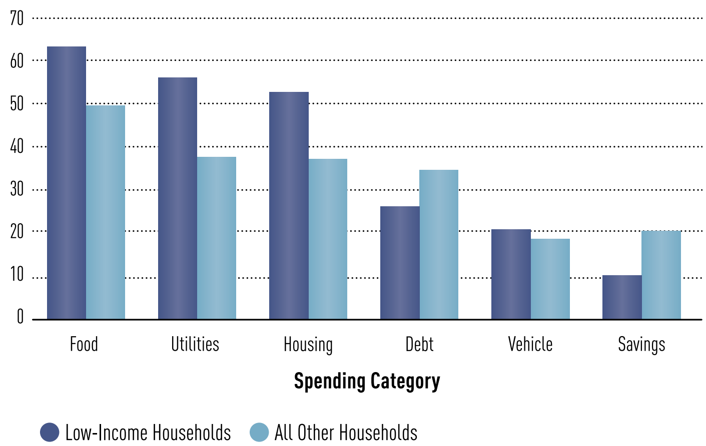


Notes: Low-income households earned less than $25,000 in 2019. Black, white, and Asian households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, January–March 2021.

FIGURE 30

Most Low-Income Households Spent Their Economic Impact Payments on Essentials Like Food, Utilities, and Housing

Share of Households Reporting EIP Expenditures in Each Category (Percent)



Notes: Low-income households earned less than $25,000 in 2019. Data only include households that received an economic impact payment during the seven days prior to the survey. Responses are not mutually exclusive. Debt includes credit card debt, student loans, and other liabilities.
Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, January–March 2021.

holds that earned at least $75,000 was just 6 percent, or four times lower than that of the lowest-income group.

Moreover, the shares of households behind on housing payments do not fully capture the dire circumstances of many households. A Joint Center and Urban Institute analysis of surveys conducted in late 2020 and early 2021 found that between 25 percent and 40 percent of renter households had used savings to cover their housing payments during the pandemic. Roughly a quarter had depleted those savings and another quarter had borrowed money from family or friends to pay for their housing.

These findings are unsurprising given how low savings were before the pandemic. Survey of Consumer Finances data show that the median cash savings of renter households was just $1,400 in 2019, compared with $10,100 for homeowners. Fully a third of renters had less than $500 in cash, along with a tenth of homeowners. This suggests that many renters began this year with few resources in reserve or even deeper in debt than a year earlier.

Eviction fears were running high in early 2021. According to a January survey by the Philadelphia Federal Reserve Bank's Consumer Finance Institute, 4 percent of renters had received eviction warnings, while 17 percent were concerned about being evicted even though their landlords had not issued warnings. Respondents to the Household Pulse Survey in the first quarter of 2021 echo these concerns, with 17 percent of renters who were behind on rent believing that eviction was very likely in the upcoming two months. A smaller but still concerning 5 percent of homeowners who were behind on mortgage payments expected foreclosure within the next two months.

POLICY RESPONSES TO KEEP PEOPLE IN THEIR HOMES

Policymakers have enacted several measures to alleviate some of the financial pressures on struggling households. The CARES Act of March 2020 was the first major legislation during the pandemic to provide direct payments to many individuals and expanded benefits to unemployed workers. Projections made by the Urban Institute in July 2020 suggested that these interventions could reduce the national poverty rate in 2020 from 12.4 percent to 9.2 percent. The Consolidated Appropriations Act enacted in December 2020 followed up with additional relief that included $25 billion in rental assistance, $600 in direct stimulus payments, and extensions to both the expanded unemployment benefits and the CDC eviction moratorium. The American Rescue Plan of March 2021 delivered yet more aid, including $1,400 in direct payments to individuals, $300 per month in extra unemployment benefits, $10 billion in homeowner assistance, and another $25 billion in rental assistance.

Households that received stimulus payments under the Consolidated Appropriations Act spent the money primarily on basic needs **(Figure 30)**. More than 60 percent of low-income households spent at least part of their funds on food, 56 percent spent at least part on utilities, and 53 percent spent at least part on their rent or mortgage. Households with higher incomes, however, were more apt to put the money toward debt (35 percent vs. 26 percent of low-income households) and savings (20 percent vs. 10 percent).

Recipients of federal rental assistance could use the funds to cover utility bills as well as housing costs. The American Rescue Plan included additional assistance with utility payments by providing new funding for the Low Income Home Energy Assistance Program ($4.5 billion) and the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program ($500 million). For their part, many states instituted residential utility shut-off protections. The National Association of Regulatory Utility Commissioners reported that 36 states had enacted moratoriums on utility shut-offs during the pandemic, although only 12 states still provided these protections as of February. However, some states that did not impose a COVID-related moratorium on shut-offs had their usual wintertime moratoriums in place. The National Energy Assistance Directors' Association projected that about 57 percent of the US population was covered by either type of moratorium at the end of February 2021.

State and local governments also provided aid to renters and played the critical role of distributing federal assistance. According to a January 2021 report from the National Low Income Housing

Coalition, the Furman Center, and the University of Pennsylvania, 68 state and 370 local emergency rental assistance programs were created or expanded in response to COVID-19. But even with these quick responses on top of the large injection of federal funding, demand often outstripped the assistance available. Lessons learned from these early programs about leveraging local networks, simplifying and limiting application requirements for tenants and landlords, and providing direct assistance to lowest-income households should ensure more efficient distribution of American Rescue Plan funds.

The primary goal of all these government programs was to keep people safely in their homes. The CARES Act instituted a partial eviction moratorium from March 2020 to late July 2020, along with a foreclosure moratorium that was extended to June 2021. In September 2020, the CDC also instituted a nationwide eviction moratorium, which the Biden Administration extended to June 30, 2021. However, this moratorium was successfully challenged in the courts in May and is pending appeal. An analysis by the Government Accountability Office found that eviction filings were lower in 2020 than 2019 during these federal moratoriums, and filings were even lower in states that had their own moratoriums. As of May 1, 2021, 17 states and Washington, DC, still had eviction moratoriums in place.

However, programmatic challenges and a lack of public awareness about eviction moratoriums and the support available to at-risk renters undermined some of the effectiveness of these programs. A February 2021 survey conducted by the Urban Institute and the non-institutional landlord servicer Avail found that 84 percent of landlords knew about the CDC eviction moratorium's first extension, but just 47 percent of renters were also aware of this change. In addition, only 48 percent of landlords and 31 percent of renters were aware of the $25 billion in rental assistance provided by the Consolidated Appropriations Act. This lack of awareness may reflect problems with digital access, language barriers, and comprehension of different program requirements, as well as lack of outreach.

The American Rescue Plan also included an additional $5 billion for homelessness prevention, which could take the form of rental assistance, affordable housing development, and acquisition of non-congregate shelters. When the pandemic began, many local and state governments established non-congregate shelters by redeploying vacant sites like hotels that would allow social distancing. President Biden signed an executive order in January 2021 directing the Federal Emergency Management Agency to cover 100 percent of state and local costs for these shelters until September 2021. The state governments of Oregon and California went a step further by making some of their hotel conversions permanent for use as emergency shelters or affordable housing after the pandemic. The latest infusion of federal funding may make this possible for more states.

AFFORDABILITY CHALLENGES BEFORE THE PANDEMIC

Many households that fell behind on their housing payments in 2020 were already cost burdened and living on thin margins. In fact, nearly half of all renter households (20.4 million) and a fifth of homeowner households (16.7 million) spent more than 30 percent of their incomes on housing in 2019. Of these 37.1 million households, 17.6 million spent more than 50 percent of their incomes on housing.

Households with low incomes were the most likely to face severe cost burdens **(Figure 31)**. More than three-fifths of renters and nearly half of homeowners earning less than $25,000 were severely cost burdened in 2019, along with one in six renters and one in eight homeowners earning $25,000–49,999. In contrast, less than 2 percent of all households earning $50,000 or more had severe burdens.

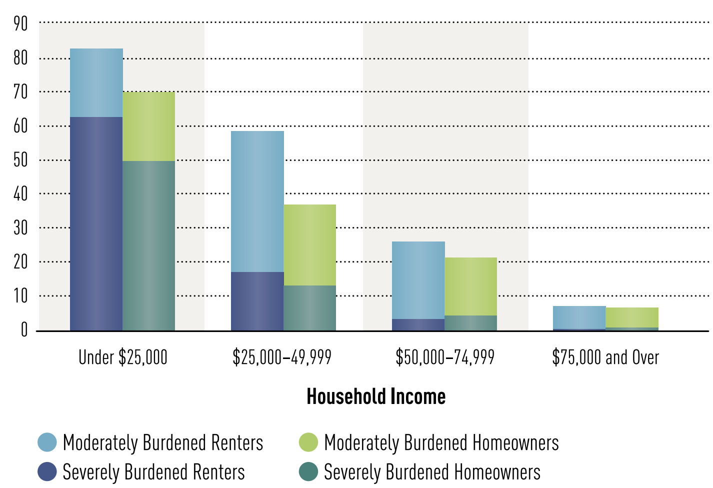
Within the low-income group, cost burden rates were disproportionately high among households of color. While 82 percent of all renters earning less than $25,000 were cost burdened in 2019, the shares for Hispanic (86 percent), Black (83 percent), and Asian (84 percent) households all exceeded the share for white households (80 percent). In addition, some 69 percent of low-income homeowners were cost burdened, but the shares for Hispanic (72 percent), Black (74 percent), and Asian (81 percent) households were also higher than for white households (68 percent).

The prevalence of cost burdens reflects the chronic lack of affordable housing for households of modest means, particularly those with

FIGURE 31

A Large Majority of Low-Income Renters Were Severely Cost Burdened Even Before the Pandemic

Share of Households (Percent)

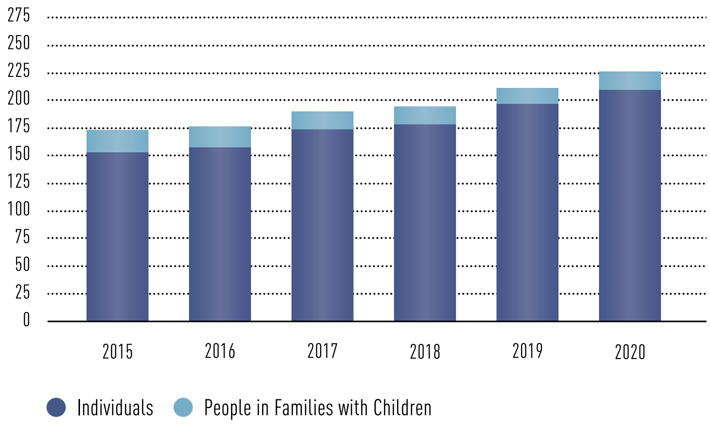


Notes: Cost-burdened (severely cost-burdened) households pay more than 30% (more than 50%) of income for housing. Households with zero or negative income are assumed to have burdens, while households paying no cash rent are assumed to be without burdens.
Source: JCHS tabulations of US Census Bureau, 2019 American Community Survey 1-Year Estimates.

FIGURE 32

The Number of People Experiencing Unsheltered Homelessness Climbed Again in 2020

People Experiencing Unsheltered Homelessness (Thousands)



Notes: Data are point-in-time estimates for late January in each year. People experiencing unsheltered homelessness are defined as sleeping in places not ordinarily used or meant for sleeping, including streets, parks, and vehicles. People in families with children are defined as members of a household with at least one adult and one child experiencing homelessness.
Source: JCHS tabulations of US Department of Housing and Urban Development, Annual Homeless Assessment Report Point-in-Time Estimates.

FIGURE 33

Households Behind on Rent or Mortgage Payments Often Face Other Hardships as Well

Share of Households Facing Hardships by Housing Payment Status (Percent)

Hardship	Behind on Payments	Up-to-Date on Payments
Difficulty Paying Expenses in the Past Week	77	29
Symptoms of Depression or Anxiety	60	38
Moderate or Severe Food Insufficiency	37	8
Fair or Poor Health	35	19
No Work in Past Week Due to COVID	24	9
No Public/Private Health Insurance	21	8

Notes: Every hardship is showing data from the first quarter of 2021 except for Fair or Poor Health, which is from the fourth quarter of 2020. Data include both renters and homeowners.
Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, September 2020–March 2021.

extremely low incomes (earning less than 30 percent of area median income). According to the National Low Income Housing Coalition's annual gap report, there were only 37 affordable and available homes for every 100 extremely low-income renter households nationwide in 2019. Supplies of affordable and available homes were tightest in several Western states, including Nevada (20 for every 100 extremely low-income renters), California (24), and Oregon (25). The metro areas with the most acute shortages were Las Vegas (16 per 100 extremely low-income renters), Houston (19), and Los Angeles (20). It is no coincidence that these states and metro areas have especially high cost-burden rates.

Another sign that the affordability crisis worsened even before the pandemic was an increase in homelessness. According to HUD's point-in-time estimates, the total number of people experiencing homelessness rose from 568,000 in January 2019 to 580,000 in January 2020, driven entirely by an increase in the unsheltered population. The number of people sleeping on the streets or in parks or vehicles was up by 15,000, more than offsetting the 2,000-person reduction in the number of people sleeping in homeless shelters. Most of the rise in people experiencing unsheltered homelessness was among individuals **(Figure 32)**. More than half of the total increase in unsheltered homelessness occurred in California (up 5,000), Texas (up 2,000), and Washington (up 1,200).

Point-in-time counts are taken on just one night and do not include some forms of homelessness such as people doubling up with family or friends. As such, they seriously understate the number of people experiencing homelessness each year. Indeed, HUD estimated that 1.4 million people slept in homeless shelters at some point in 2018. The National Center for Education Statistics also reported that 1.35 million public school students experienced homelessness at some point during the 2016–2017 academic year. So far, there are no national statistics on homelessness rates since the start of the pandemic and many jurisdictions skipped the usual point-in-time counts in 2021 due to health concerns. As a result, it may be some time before the pandemic's impacts on this vulnerable population are clear.

CRITICAL LINKS BETWEEN HOUSING AND WELL-BEING

The pandemic has highlighted how vital affordable, good-quality, and well-connected housing is to health and well-being. Indeed, the Household Pulse Surveys in the first quarter of this year show a clear relationship between the stress of being behind on housing payments and the incidence of other hardships. For example, more than three-quarters of households that were unable to cover their rents or mortgages also struggled to pay other expenses **(Figure 33)**. Some 60 percent of households in arrears experienced feelings of depression or anxiety, while 35 percent reported being in fair or poor health. Many of these households may have little recourse to get help with these health issues, with a fifth having no public or private health insurance.

Particularly worrisome is the 37 percent share of households behind on housing payments that experienced food insufficiency—more than four times the share of households that were up to date.

Food insecurity in fact became much more commonplace during the pandemic. Analysis by the Health Communication Research Laboratory of the 2-1-1 calls in 31 states found that there had been a 98 percent increase in calls about help buying food between October 2019 and October 2020, along with a 59 percent increase in calls about soup kitchens and a 44 percent increase in calls about food pantries.

Similarly, the Household Pulse Surveys indicated that 20 percent of all renters and 6 percent of all homeowners sometimes or often experienced food insufficiency in early 2021. The shares of low-income households were especially high. Some 28 percent of those earning less than $25,000 reported food insufficiency, compared with 18 percent of households earning $25,000–34,999 and 13 percent of households earning $35,000–49,999. Here again, the racial and ethnic disparities are notable, with far larger shares of Hispanic and Black households experiencing food insufficiency (18–20 percent) than Asian and white households (6–8 percent).

Pandemic conditions also underscored the need for more supportive housing for the nation's aging population. Given that older adults have had the highest mortality rates from COVID-19, maintaining social distance and taking other precautions against infection are crucial to their safety. But the pandemic disrupted the care and support systems for this vulnerable age group, leading to greater social isolation and difficulties accessing food and medications. According to a recent Joint Center report, however, older adults living in service-enriched housing benefited from the help of on-site staff in meeting their needs. Expanding the availability of service coordinators to more properties would be an important step in supporting the health and safety of older adults during the recovery from the pandemic as well as in more typical times.

Relatively low rates of internet and technology use compounded the hardships not only for older adults, but also for families with limited or no internet access. During the pandemic, the ability of parents to work at home and of children to keep up with school relied almost entirely on having an internet connection. But as American Community Survey data show, 13.4 million households (11 percent) were without internet access in 2019, while 19.5 million (16 percent) had access but lacked broadband. The shares were especially high in rural areas, where 3.1 million households (18 percent) had no internet access, and another 4.2 million (24 percent) had access but no broadband. With libraries and schools closed during the pandemic, these families had few options to access this key service.

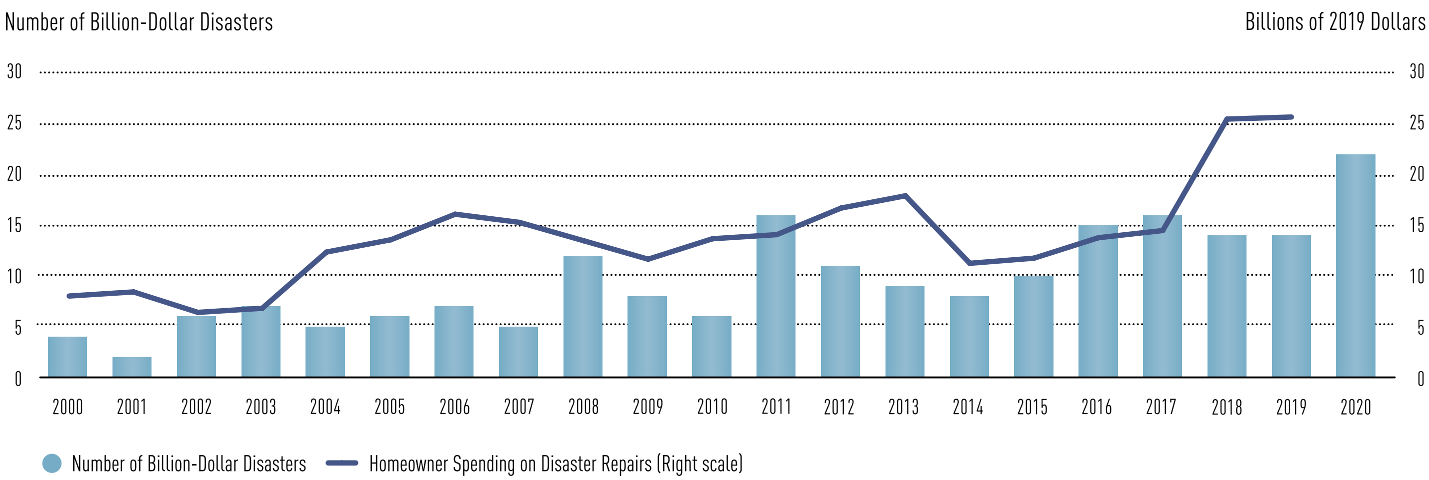
INCREASED RISKS TO HOUSEHOLDS FROM CLIMATE CHANGE

On top of the devastating effects of the pandemic, the number of major disasters hit a new high last year. There were 22 distinct billion-dollar disasters in 2020, up from the previous high of 16 in 2011 and 2017. The combined cost of last year's disasters was $95 billion, making it the fourth-costliest year since NOAA started tracking major disasters in the early 1980s. The February storm that swept through Texas and many other states was the first billion-dollar disaster of 2021 and the costliest winter storm on record, with damages estimated at more than $10 billion.

The frequency and severity of disasters have increased for several decades, spurred by climate change. On average in the 1980s, just

FIGURE 34

Spending on Homeowner Disaster Repairs Has Risen in Line with the Frequency of Severe Events



Notes: Billion-dollar disaster are adjusted to 2020 dollars using the CPI-U for All Items. The direct costs of disasters include physical damage to buildings, material assets, vehicles, infrastructure, and agriculture, as well as the costs of business interruption, wildfire suppression, and disaster restoration. Disaster repair expenditures are for homeowners only and are adjusted for inflation to 2019 dollars using the CPI-U for All Items. Disaster repair spending for 2013 uses Joint Center-adjusted weights.
Sources: JCHS tabulations of NOAA, Billion-Dollar Weather and Climate Disasters; HUD, American Housing Surveys.

three billion-dollar disasters occurred each year, with costs of about $18 billion in real terms. By the 2010s, however, the average number of events had quadrupled to 12 and average costs had soared to $81 billion. For homeowners alone, real spending on disaster repairs climbed from $8 billion in 2000 to $14 billion in 2010 and to $26 billion in 2019 **(Figure 34)**. These increases have lifted the share of homeowner remodeling expenditures devoted to disaster repairs from 4 percent to 10 percent over the last two decades.

As severe weather becomes more common, it poses an ever-growing threat to homes across the country. The First Street Foundation estimated that 14.6 million properties were at substantial risk of flooding last year, some 5.9 million more than identified by the Federal Emergency Management Agency. By CoreLogic's count, 7.1 million single-family homes and 253,000 multifamily units were under threat from storm surges, with a total reconstruction cost of $2.65 trillion. In assessing vulnerability to seven types of natural hazards, CoreLogic found that the states most at risk were California, Kansas, Nebraska, Oklahoma, and Texas. The analysis also identified multi-state hotspots around the Mississippi River, the Gulf Coast, and the Atlantic Coast.

Just as weather-related events pose increasingly devastating threats to the housing stock, they also pose increasingly severe risks to human health. Indeed, 2020 was the fifth-hottest year on record in the contiguous US, and all four of the previous hottest years occurred since 2012. Rising temperatures are hazardous to people living in homes without air conditioning, particularly older adults and young children. Smoke from wildfires is another serious hazard because it can infiltrate homes via poorly sealed windows, doors, and ventilation systems, degrading air quality and aggravating respiratory problems. In the case of flooding, the presence of mold can be dangerous to people with asthma and other acute conditions.

The pandemic highlighted another hazard related to housing quality, particularly in older homes. The CDC estimates that 24 million housing units contain significant amount of lead-based paint, a particularly toxic health threat to the young children living in 4 million of those homes. The need to quarantine during the pandemic increased the exposure of those children to this hazard while also preventing lead testing and mitigation efforts. Moreover, the children most likely to suffer the ill effects of prolonged lead exposure and reduced testing live in the same households most affected by the pandemic—those with low incomes and households of color.

THE OUTLOOK

Now that vaccine distribution has accelerated, the end of the pandemic in the United States may finally be in sight. While massive government assistance has provided temporary lifelines to many struggling households, the magnitude of the financial damage from the economic shutdown, on top of the ongoing affordability crisis, has expanded the already long list of national housing challenges. Most immediately, the impending end to government moratoriums could set off a wave of evictions and foreclosures unless federal assistance from the most recent relief package is implemented quickly and effectively.

This potential crisis is clear evidence of the importance of rental assistance in keeping economically vulnerable households affordably and stably housed. At last count in 2017, 5.2 million households earning less than 50 percent of area median income were living in subsidized rental housing. Over the past year, this support has been vital in preventing these households from falling behind on rent while also ensuring the income of property owners. At the same time, 12.9 million renters with similarly low incomes were on their own to weather the pandemic's challenges, with the vast majority already facing cost burdens or living in inadequate housing. To remedy the tremendous gap between assistance and need, the Biden Administration has proposed a significant expansion in both the housing voucher and affordable housing production programs.

The events of the past year have also reinforced the many racial and ethnic disparities in American society, with unequal access to homeownership among the most persistent. Indeed, the Black-white gap in homeownership rates is nearly 30 percentage points and the Hispanic-white gap is not much smaller at 24 percentage points. The inability to qualify for financing—whether because of low incomes, insufficient savings, or troubled credit histories—means that these households miss out on a critical wealth-building opportunity. Federal support for downpayment assistance programs targeting people of color would be an important step toward closing these gaps.

Meanwhile, more fortunate households with stable incomes have been on a homebuying spree that has left for-sale inventories at record lows. Although the supply of existing homes on the market may increase as the pandemic subsides, the longer-term solution to the housing shortage is to ease the constraints on residential development. Policymakers can address some of these barriers, such as the spiraling costs of materials and the shrinking supply of construction labor, with measures aimed at removing supply chain frictions and supporting workforce development, including immigration reform.

But perhaps the chief obstacles to housing production are restrictive land use regulations and complex, time-consuming approval processes that push up costs. Policymakers at all levels of government must work together to reduce these barriers so that homebuilders can begin to meet the demand for modestly priced homes in a broad range of communities. The Biden Administration's proposal to link funding for affordable housing to state and local regulatory efforts provides a good template for how the federal government can incentivize these reforms.

7 ONLINE RESOURCES

The following resources are available at www.jchs.harvard.edu/state-nations-housing

INTERACTIVE CHARTS

- Home Prices Are Skyrocketing in Most Markets
- The Negative Impacts of the Pandemic Are Uneven

INTERACTIVE MAPS

- Even Before the Pandemic, High Shares of Households Were Burdened by Housing Costs
- The Financial Pressures on Households Varied Considerably by State in Early 2021

DATA TABLES

- Housing Market Indicators: 1980–2020
- Housing Cost-Burdened Households by Tenure and Income: 2001, 2018 and 2019
- Cost-Burden Rates by Tenure and Income for States and Metro Areas: 2019
- Median Home Price to Median Income Ratios by Metro Area: 1990–2000
- Home Price Changes by Metro Area: 2019–2021
- Change in Median Land Prices by Metro Area: 2012–2019

The State of the Nation's Housing 2021 was prepared by the Harvard Joint Center for Housing Studies. The Center advances understanding of housing issues and informs policy. Through its research, education, and public outreach programs, the Center helps leaders in government, business, and the civic sectors make decisions that effectively address the needs of cities and communities. Through graduate and executive courses, as well as fellowships and internship opportunities, the Center also trains and inspires the next generation of housing leaders.

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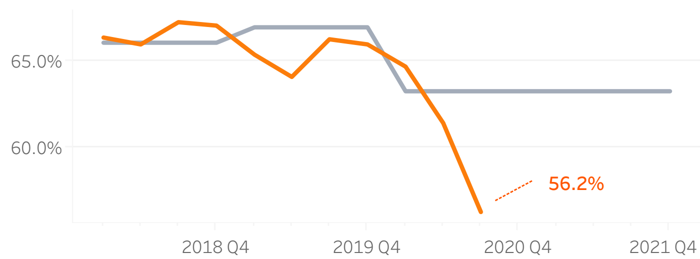
OF HARVARD UNIVERSITY

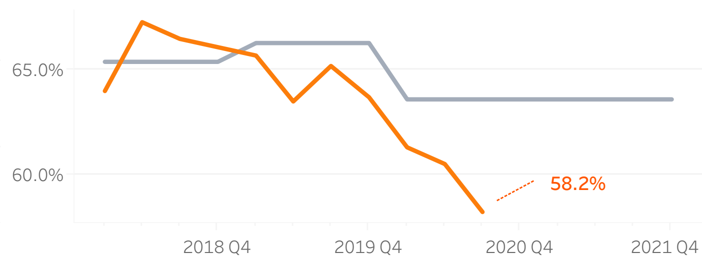
WIOA Title I Performance Indicators

Olympic Workforce Development Council
Adult

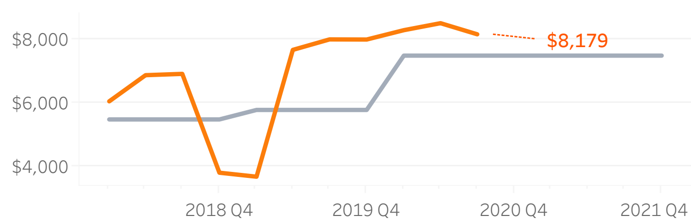
1. Employment Rate (Q2)



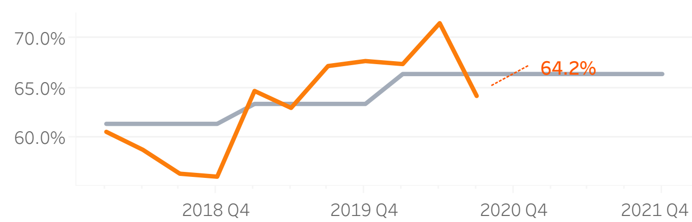
2. Employment Rate (Q4)



3. Median Earnings



4. Credential Rate



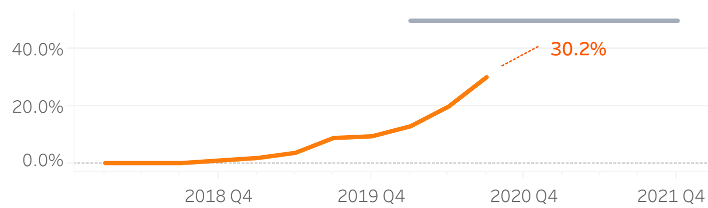
Initial Targets DOL's QPR

Series Multiple values

Area Olympic Workforce Development Council

Program Adult

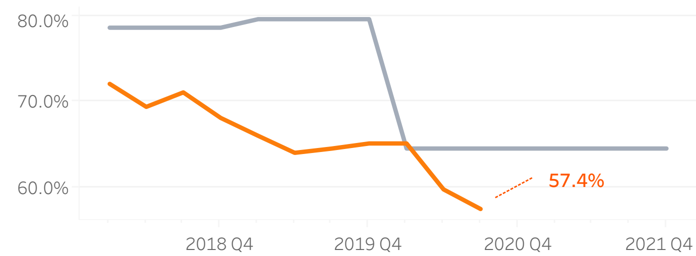
5. Measurable Skill Gains



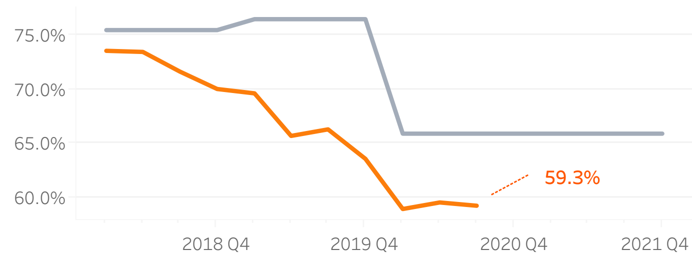
WIOA Title I Performance Indicators

Olympic Workforce Development Council
Dislocated Worker

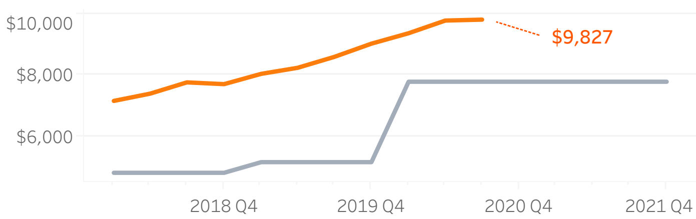
1. Employment Rate (Q2)



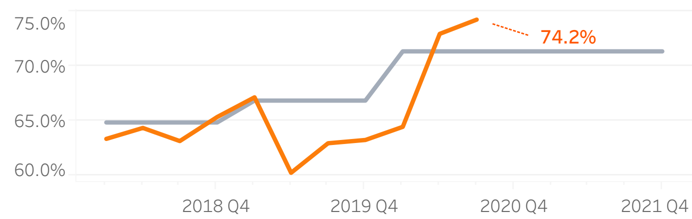
2. Employment Rate (Q4)



3. Median Earnings



4. Credential Rate



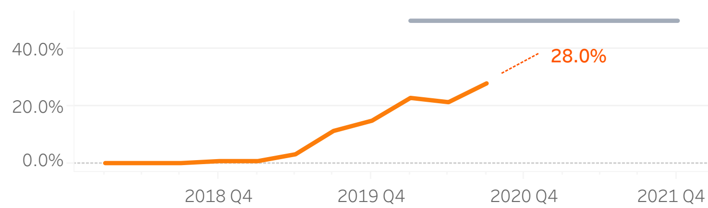
Initial Targets DOL's QPR

Series Multiple values

Area Olympic Workforce Development Council

Program Dislocated Worker

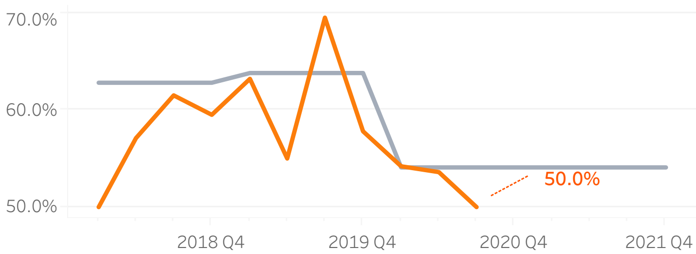
5. Measurable Skill Gains



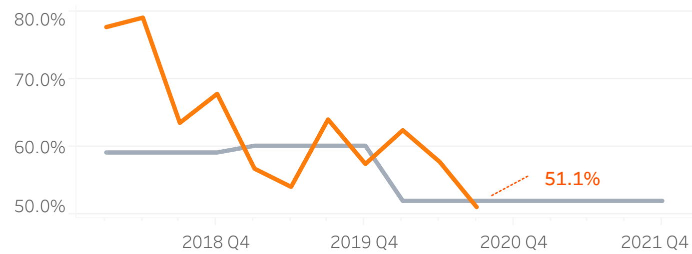
WIOA Title I Performance Indicators

Olympic Workforce Development Council
Youth

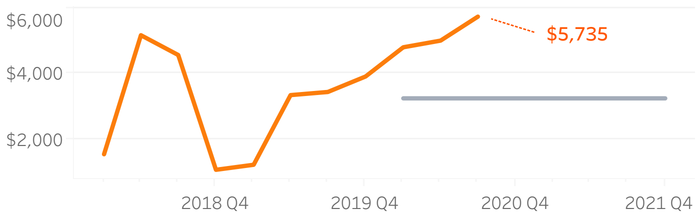
1. Employment Rate (Q2)



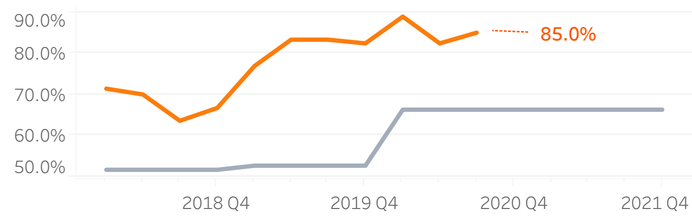
2. Employment Rate (Q4)



3. Median Earnings



4. Credential Rate



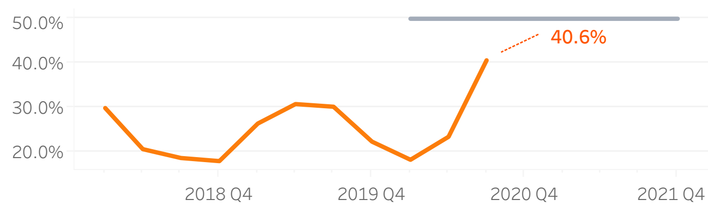
Initial Targets DOL's QPR

Series Multiple values

Area Olympic Workforce Development Council

Program Youth

5. Measurable Skill Gains



WIOA Formula Performance Report

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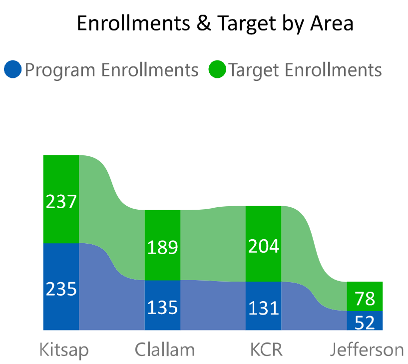
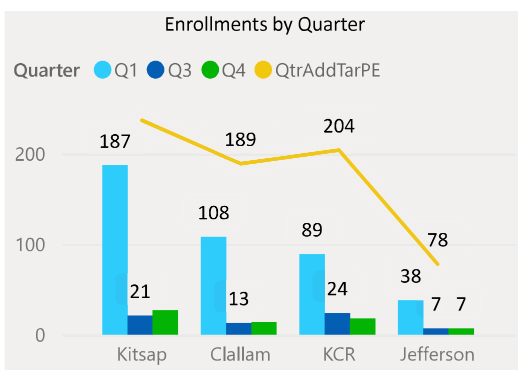
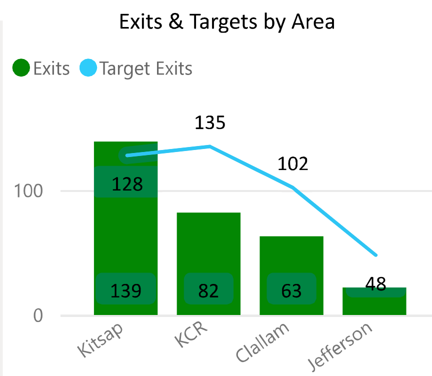
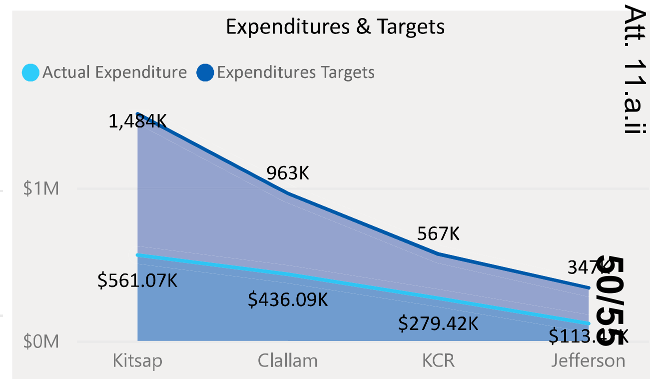
Earliest Refresh Date

Office	Program	Current	Program Enrollments	Target Enrollments	PE %age	Exits	Target Exits	Exit %age	Placements	Target Placements	Placement Rate	Placements %age	Actual Expenditure	Target Expenditures	Expenditures %age
Kitsap	Adult	20	45	54	83.33%	25	38	65.79%	22	33	88.00%	66.67%	$49,579	221,669	22.37%
Kitsap	DW	12	66	45	146.67%	54	32	168.75%	43	27	79.63%	159.26%	$62,457	244,324	25.56%
Kitsap	DWIE	1	7	22	31.82%	6	19	31.58%	4	19	66.67%	21.05%	$35,822	61,005	58.72%
Kitsap	Youth	59	83	96	86.46%	24	26	92.31%	18	14	75.00%	128.57%	$280,303	468,288	59.86%
KCR	Adult	35	89	120	74.17%	54	70	77.14%	42	55	77.78%	76.36%	$194,032	272,158	71.29%
KCR	DW	9	30	50	60.00%	21	34	61.76%	16	24	76.19%	66.67%	$57,777	131,559	43.92%
KCR	DWIE	4	10	23	43.48%	6	27	22.22%	5	16	83.33%	31.25%	$27,606	43,476	63.50%
Jefferson	Adult	6	13	22	59.09%	7	15	46.67%	6	13	85.71%	46.15%	$30,662	98,594	31.10%
Jefferson	DW	9	17	18	94.44%	8	13	61.54%	8	11	100.00%	72.73%	$24,825	124,730	19.90%
Jefferson	DWIE			8			7			6			$0	21,021	0.00%
Jefferson	Youth	11	17	21	80.95%	6	7	85.71%	4	4	66.67%	100.00%	$57,982	102,468	56.59%
Clallam	Adult	18	42	58	72.41%	24	40	60.00%	19	34	79.17%	55.88%	$143,693	325,740	44.11%
Clallam	DW	12	31	37	83.78%	19	26	73.08%	16	22	84.21%	72.73%	$122,482	334,425	36.62%
Clallam	DWIE	0	1	10	10.00%	1	7	14.29%	1	7	100.00%	14.29%	$3,348	31,177	10.74%
Clallam	Youth	35	53	70	75.71%	18	21	85.71%	13	11	72.22%	118.18%	$161,717	271,724	59.52%
Totals		**231**	**504**	**654**	**77.06%**	**273**	**382**	**71.47%**	**217**	**296**	**79.49%**	**73.31%**	**$1,252,2...**	**2,752,358**	**45.50%**









Washington State WorkSource

System Performance Dashboard

Seekers served | Employers served | Exits & Wages | Definitions

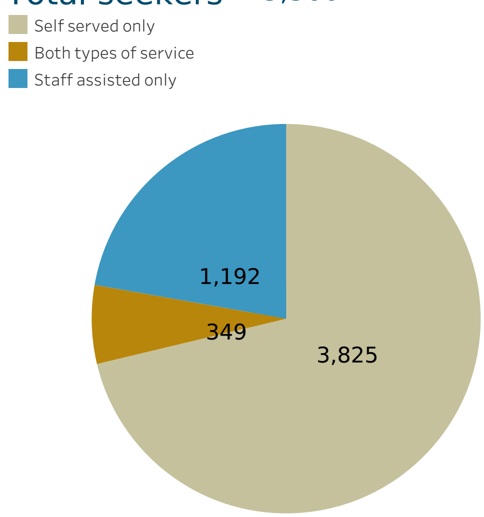
Service Location
WDA 01 - Olympic

Time Frame
Rolling 4-quarters ending with

PY 2020 Q3 (Jan - Mar 2021)

Data prior to the beginning of PY16Q1 (July 1, 2016) is not reflected in this dashboard. Therefore, the first quarter with complete rolling 4-quarter data is PY2016 Q4 (the quarter ending on June 30, 2017).

Total seekers = 5,366



All seekers served

Self-service customers	4,174
Staff-assisted customers	1,541

Self served only	71.28%	3,825
Both types of service	6.50%	349
Staff assisted only	22.21%	1,192

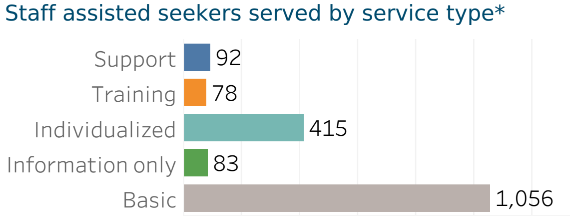
New to WorkSource?

New	46.94%	2,718
Returning	53.06%	3,072

WorkSourceWA job applicants

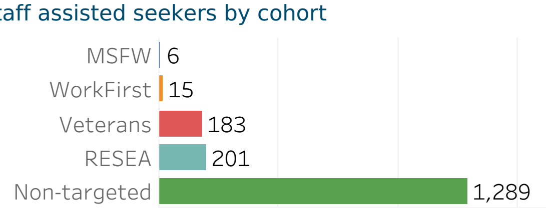
Seekers with job applications	1,456

Staff assisted seekers served by service type*



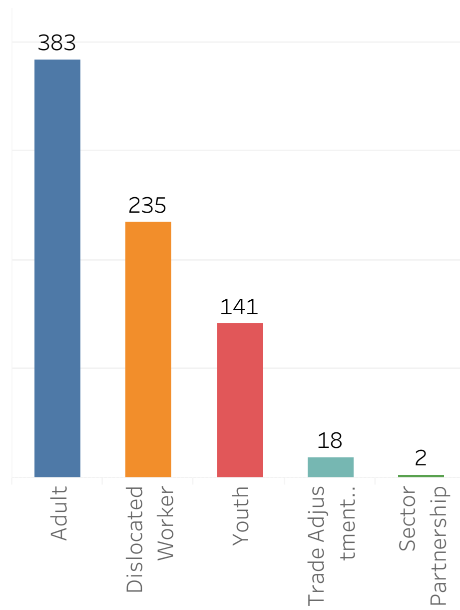
*Information only and support services do not trigger or extend participation.

Staff assisted seekers by cohort



Seekers served by program enrollment

Staff-assisted seeker counts by service location, regardless of enrollment location



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Washington State WorkSource
System Performance Dashboard

Seekers served | Employers served | Exits & Wages | Definitions

Location
WDA 01 - Olympic

Time Frame
Rolling 4-quarters ending with

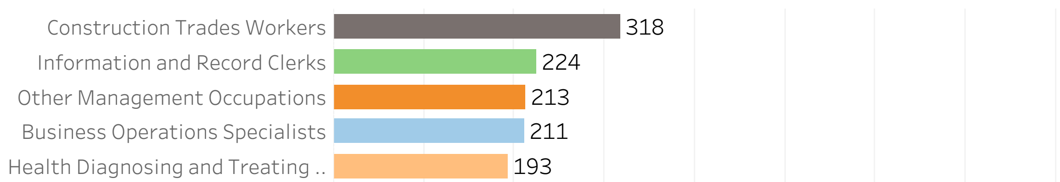
PY 2020 Q3 (Jan - Mar 2021)

Employers using WorkSource

Employers	538
Job orders	4,333

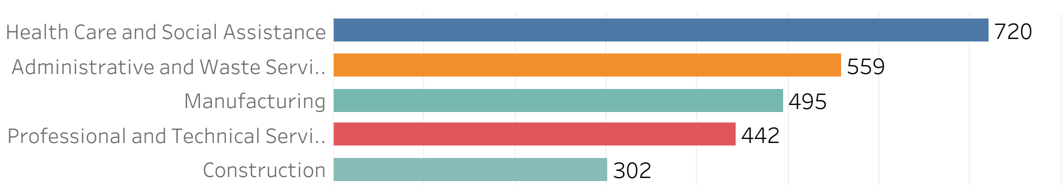
Employers receiving staff-assisted services	225

Top 5 jobs in demand



Number of job postings by 3-digit ONET

Top 5 industry sectors posting jobs



Number of job postings by 2-digit NAICS

Washington State WorkSource

System Performance Dashboard

Seekers served | Employers served | Exits & Wages | Definitions

Location

WDA 01 - Olympic

Program

- All Title I participants
- WIOA Adult
- WIOA Dislocated Worker
- WIOA Youth
- Wagner Peyser
- All WorkSource customers

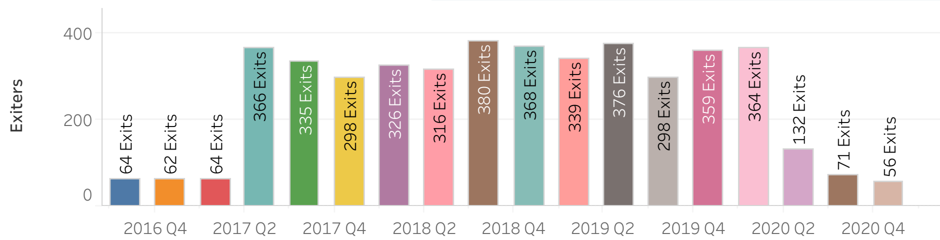
These exit proxies are intended to help track potential WorkSource outcomes, are not intended to replace official federal outcomes, and may not accurately reproduce official federal outcomes.

Employments data are delayed.
Employments are based on wages received the second quarter after a person exits (final service date with no more services planned).
Wage data come in about 45 days after the quarter ends.

Example: *If the final service is on January 3 (exit date), exit is the quarter of Jan- Mar, and the quarter to check for wages is Jul-Sept. Wages for this quarter would be reported by November 15 (approximately 11.5 months from Exit date).*

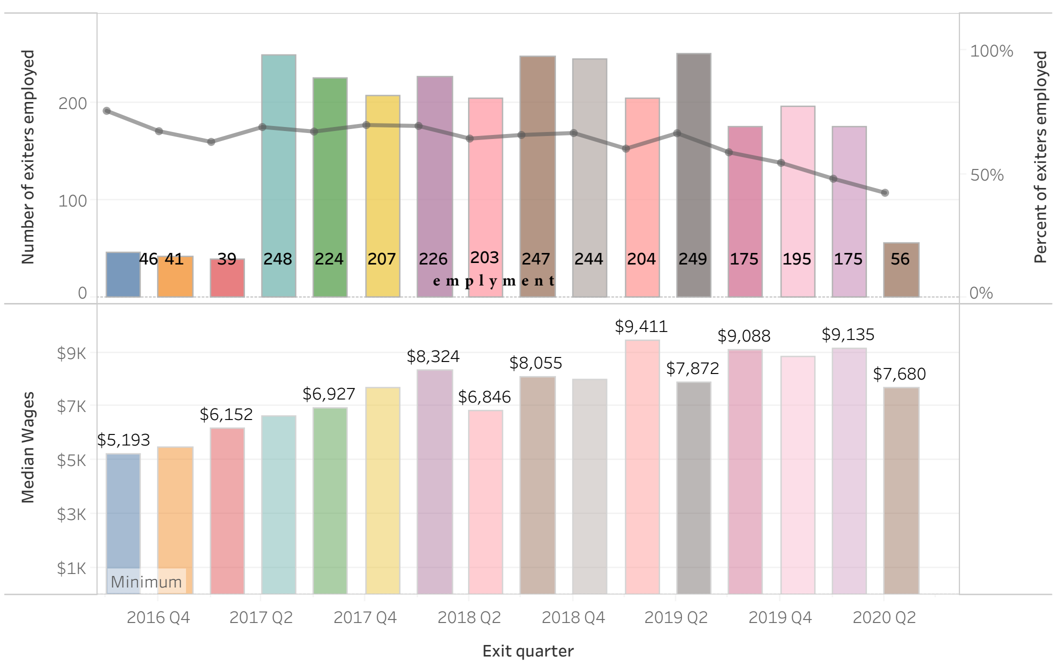
Exits (by Calendar Year)

WDA 01 - Olympic: All Title I participants



Employments (by Calendar Year): select an outcome measure*

All exit quarters, 2 Q after exit



* Low exiter and employment counts are suppressed to protect confidentiality. If the number of exiters or employments meets suppressi..

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STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
PO Box 9046 • Olympia WA 98507-9046

June 30th, 2021

RE: Recognizing Your Team's Successes

Dear Elizabeth,

It is important to take a moment to recognize your positive performance on the outcomes shown below from your WIOA Title I grants and discretionary contracts. Please thank your entire team for the hard work and dedication they put into finding solutions and support for the communities served by your LWDB.

WDC 01 Quarter Ending March 31, 2021 (September 30, 2020 for employment outcomes)

Goals set pre-Covid

Outcome	Target	Actual
WIOA Adult Enrollments	251	278
WIOA Adult Employments	20	31
WIOA Youth Enrollments	163	138
NDWGs - Disaster Relief Enrollments	4	25

The labor market and workforce system have struggled, and yet it's evident your team worked hard to find solutions. Enrollments and Disaster Relief Employment placements have exceeded targets in the last quarter and expenditures are climbing! ESD appreciates your continued engagement with Emergency Operations and local tribes. If we could offer additional technical service in any area of grant administration, training, policy guidance, or others, please just let us know. Our goal is to support your local success.

We are always looking for successful practices to share with the rest of the workforce development system. If you would like to share any tools or practices with your peers across the state, please send them to ESDGPWorkforceInitiatives@esd.wa.gov. Also, let us know in that message if you would be willing to present during the next quarterly peer-to-peer teleconference. By sharing your successes, you can help the entire state continue to pursue and achieve excellence. Our next peer-to-peer call is scheduled for ***September 2021*** and we'd love for you to attend.

If you would like more information, please let me know. Congratulations again on your success, and thank you for serving Washington's employers, workers, jobseekers, and youth.

Sincerely,

Tim Probst
Grants Director
360-790-4913

Olympic Consortium Board Meeting (4th Fridays)	10 a.m. to 12:00 p.m.	Zoom until further notice	Att.13.a
Exec OWDC Meeting (4th Tuesdays)	10 a.m. to 12:00 p.m.	Zoom until futher notice	
OWDC Full Meeting (2nd Tuesdays)	9:00 a.m. to 1:30 p.m.	Zoom from 9 to 11:30 until further notice	

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EXECUTIVE COMMITTEE MEETING

Tuesday, October 26, 2021
10:00 a.m. – 12:00 p.m.
Via Zoom https://us06web.zoom.us/j/95777518010

A G E N D A

Action Items

1. Call to Order – 10:00 a.m. and Welcome
2. Approval of Agenda
3. Approval of Meeting Minutes from July 27, 2021 (Att. 3) Pg. 2-4

Discussion Items

4. OCB Approval and Adoption of 2022 Budget
5. New OWDC Member: Matthew Murphy, President/CEO South Kitsap Chamber of Commerce
6. Journey Level Electrician Certificate-Apprenticeship legislation bill
7. Community Development Block Grant – Coronavirus (CDBG-CV) (Att. 7) pg. 5
8. EO, Diversity and Inclusion – Accelerating Social Transformations

Break

9. OWDC Director recruitment update
10. EcSA grant update
11. WorkSource building update and customer occupancy
12. PY21 Q1 Performance Reports (Att. 12). Pg. 6
13. 2022-2024 Calendar (Att. 13) pg. 7-9
14. Adjourn

Next Meeting: January 25, 2022, via Zoom

OLYMPIC WORKFORCE DEVELOPMENT COUNCIL (OWDC)
EXECUTIVE COMMITTEE SUMMARY
July 27, 2021

ATTENDANCE: Marilyn Hoppen, Aschlee Drescher, Monica Blackwood, Chris Abplanalp
Staff: Elizabeth Court, Alissa Durkin, Doug Washburn

The Olympic Workforce Development Council's (OWDC) Executive Committee meeting was held on Tuesday, July 27, 2021 via Zoom.

APPROVAL OF SUMMARY

The Executive Committee's Meeting Agenda was approved as follows:

> **ACTION: Aschlee Drescher moved to approve the Agenda as presented. Motion was seconded by Monica Blackwood.**
> **Motion carried unanimously.**

The Executive Committee's Meeting Minutes were approved as follows:

> **ACTION: Aschlee Drescher moved to approve the April 27, 2021 Executive Committee Minutes as presented.**
> **Motion was seconded by Monica Blackwood. Motion carried unanimously.**

DISCUSSION

Executive Membership and Vacancies

- The Executive Committee currently has a vacant position under Business Community Member.
- Send nominations via email to Elizabeth Court.

5530POL Follow-Up Services

- The Olympic Consortium Board approved policy 5530-Follow-Up Services on Friday, July 23, 2021.
- Follow-Up Services are authorized to begin after a WIOA Title I(Adult, Discloated Worker, and Youth) participant program completion (exit) into unsubsidized employment, for at least a period of 12-months after the first day of employment.
- Follow-Up Services include Career Services and Supportive Services.

Economic Security for All grant

- The OWDC has been awarded federal WIOA grant, Economic Security for All, in the amount of $385,083.25.
- OWDC awarded the funding to youth provider, Olympic Educational Service District 114, in the amount of $345,575.00.
- OESD 114 will use the funding to strengthen partnerships in the region and provide WIOA eligible youth, with coaching, mentorship and support, leading towards employment at wages above $34,480.
- Partnerships include local housing, childcare, healthcare, higher-ed, and human services providers in the community.

The State of the Nation's Housing 2021

- Households that weathered the crisis without financial distress are snapping up the limited supply of homes for sale, pushing up prices and further excluding less addlient buyers from homeownership.
- Millions of households that lost income during the shutdowns are behind on their housing payments and are on the brink of eviction and foreclosure.
- These at-risk households include renters with low income and people of color.
- Additional government support will be necessary to ensure all households benefit from the expanding economy.

WOIS/The Career Information System-Private, Nonprofit Organization

- Source for current, complete career and college planning tools.
- Access to detailed career descriptions**,** college training program descriptions, and nationwide college descriptions.
- Provides four career assessments, national school search, budgeting tools showing careers that support a preferred lifestyle, careers and educational programs arranged by clusters and activities and worksheets to guide exploration activities.

In-Person Services

- Clallam and Kitsap WorkSource centers are appointment basis.
- Screening at front door
- Masks required
- Resource room accessible
- Desk-side appointments with case managers and plexi glass dividers.

EO Focus

- Equal Opportunity Spring Conference July 26th and 27th.

- Conference agenda items included EO monitoring, complaint investigations, program complaint policy with state monitors, and NW ADA Center Training.

Sequim Office Update

- New WorkSource center is on schedule for a move in date of October 2021.
- Framing completed and roof began week of July 26th.

UPDATES

PY20 Q4 Formula Performance Reports

- Enrollments and Expenditures are below targets however, staff remain resourceful in marketing and outreach of all services and resources provided at WorkSource centers to community members and employers.
- Looking forward to the end of the Unemployment Benefit extensions and start of the new program year.

Achievement Recognition Letter Equal

- OWDC received letter from Employment Security Department recognizing teams positive performance on outcomes for Quarter 1 ending March 31, 2021.

Calendar

- Until further notice from the Department of Health, the Executive Committee meeting will remain via Zoom.

ADJOURN

There being no further business to come before the committee, the meeting was adjourned at 10:33 a.m.

Next Meeting: Tuesday, October 26, 2021,via Zoom

- Olympic Consortium received $675,000 in US Department of Housing and Urban Development (HUD)- Community Block Grant-Coronavirus(CDBG-CV) funds for the time period of January 1, 2021– January 31, 2023.
  - $67,500 is provided for Administrative costs to CDBG-CV program
  - $101,250 is provided to Washington State University for project administration.
  - $506,250 is provided to Washington State University for participant wages/benefits & other staff costs.

- Services provided:
  - Washington State University will use CDBG-CV funds to provide additional food program staffing in the Olympic Consortium service areas of Clallam, Jefferson and Kitsap Counties. The project will stabilize households impacted by COVID-19 and create economic opportunities. Project delivery costs for the food bank services include food program staff recruitment, placement, compensation, benefits, and training.
  - The project will benefit approximately 50,000 persons and target services to limited clientele with principally low-and-moderate-income (LMI) and/or serve populations and areas documented by HUD populations at 51% or greater LMI (or meet entitlement CDBG exception).
  - Approximately 25,500 LMI persons receive direct services by January 31, 2023.
  - The project will fund approximately 15 FTE to provide food bank and nutrition program services.

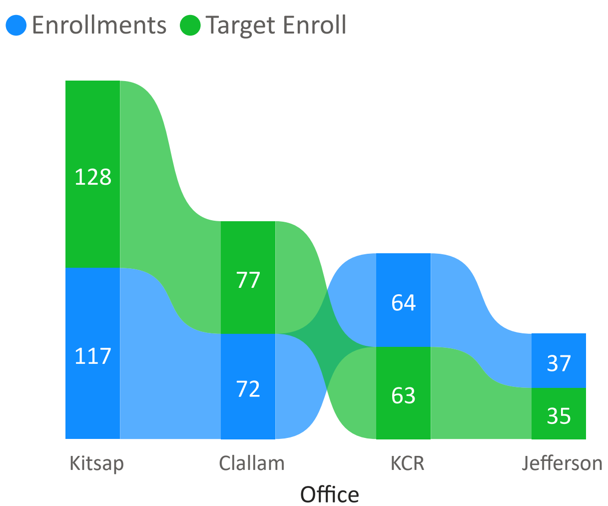
WIOA Formula Performance Report

Attachment 12
9/30/2021 12:35:03 PM
Earliest Refresh Date

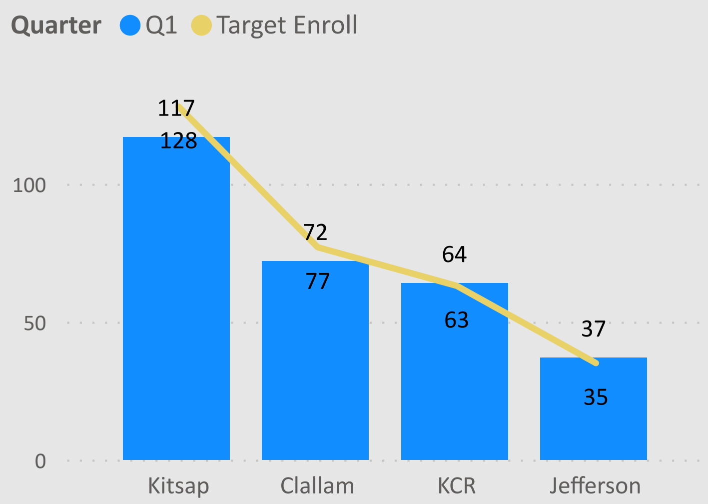
Office	Program	Current	Enrollments	Enroll Targets	PE %age	Exits	Exit to Emp	Exit To Emp Target	Exit to Emp %age	Self-Emp	Self-Emp Target	Self Emp %age	Actual Expenditure	Expenditure Target	Expenditures %age
Clallam	Adult	12	19	22	86.36%	7	6	4	150.00%	1	1	100.00%		36,945	
Clallam	DW	12	15	18	83.33%	3	2	5	40.00%		0			41,746	
Clallam	Youth	36	38	37	102.70%	2	1	1	Infinity					34,575	
Jefferson	Adult	8	11	11	100.00%	3	2	3	66.67%		0			26,088	
Jefferson	DW	11	13	11	118.18%	2	2	2	100.00%		0			17,743	
Jefferson	Youth	12	13	13	100.00%	1	1	1	Infinity					22,623	
KCR	Adult	35	51	48	106.25%	16	12	5	240.00%		1			52,164	
KCR	DW	9	13	15	86.67%	4	4	4	100.00%		1			41,338	
Kitsap	Adult	23	29	34	85.29%	6	5	6	83.33%	1	1	100.00%		60,699	
Kitsap	DW	19	23	28	82.14%	4	3	9	33.33%		2			89,332	
Kitsap	Youth	63	65	66	98.48%	2	2	1	Infinity					99,048	
Total		**240**	**290**	**303**	**95.71%**	**50**	**40**	**41**	**105.26%**	**2**	**6**	**33.33%**		**522,301**	

NaN means no data available, thus calculation failed. Infinity refers to null data field divided by zero.

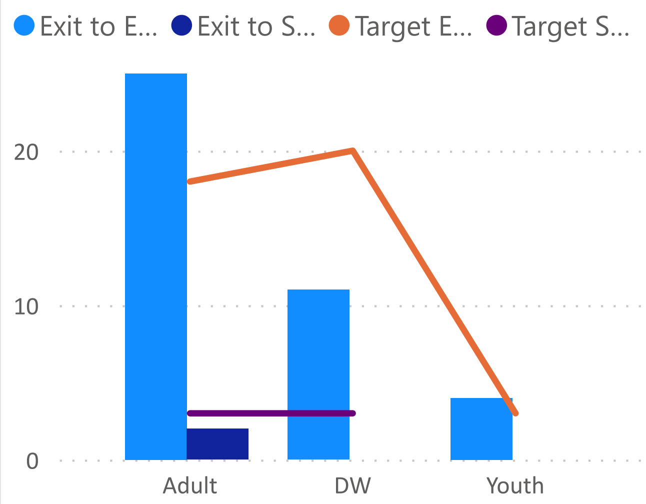
Enrollment & Target by Site



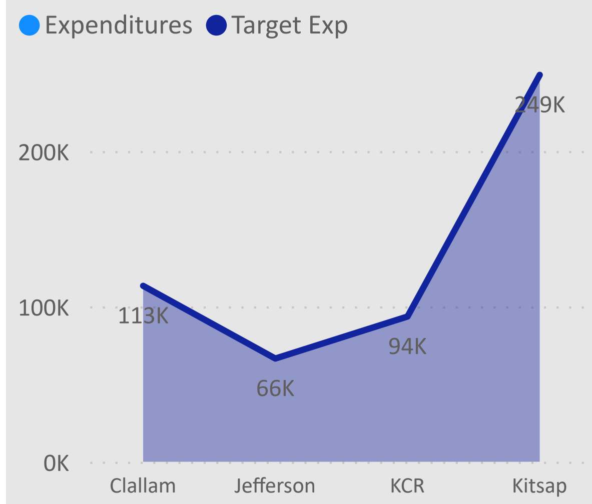
Enrollments by Quarter



Exits



Expenditures



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