THE GAP

A Shortage of Affordable Homes

NATIONAL LOW INCOME HOUSING COALITION

MARCH 2018

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ABOUT NLIHC

The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

Founded in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes and advocates to ensure decent, affordable housing for everyone.

Our goals are to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low income housing policy.

NATIONAL LOW INCOME HOUSING COALITION

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INTRODUCTION

One of the biggest barriers to economic stability for families in the United States struggling to make ends meet is the severe shortage of affordable rental homes. The housing crisis is most severe for extremely low income renters, whose household incomes are at or below the poverty level or 30% of their area median income (see Box 1). Facing a shortage of more than 7.2 million affordable and available rental homes, extremely low income households account for nearly 73% of the nation's severely cost-burdened renters, who spend more than half of their income on housing.

Even with these housing challenges, three out of four low income households in need of housing assistance are denied federal help with their housing due to chronic underfunding. Over half a million people were homeless on a single night in 2017 and many more millions of families without assistance face difficult choices between spending their limited incomes on rent or taking care of other necessities like food and medical care (HUD, 2017; Joint Center for Housing Studies, 2017). Despite the serious lack of affordable housing, President Trump proposes further reducing federal housing assistance for the lowest income households through budget cuts, increased rents and work requirements.

Based on the American Community Survey (ACS), this report presents data on the affordable housing supply, housing cost burdens, and the demographics of severely impacted renters. The data clearly illustrate a chronic and severe shortage of affordable homes for the lowest income renters who would be harmed even more by budget cuts and other restrictions in federal housing programs.

KEY FINDINGS OF THE REPORT INCLUDE:

- The nation's 11.2 million extremely low income renter households account for 25.7% of all renter households and 9.5% of all households in the United States.
- The U.S. has a shortage of more than 7.2 million rental homes affordable and available to extremely low income renter households. Only 35 affordable and available rental homes exist for every 100 extremely low income renter households.
- Seventy-one percent of extremely low income renter households are severely cost-burdened, spending more than half of their incomes on rent and utilities. They account for 72.7% of all severely cost-burdened renter households in the United States.
- Thirty-two percent of very low income, 8% of low income, and 2.3% of middle income renter households are severely cost-burdened (see Box 1).
- Of the eight million severely cost-burdened extremely low income renter households, 84% are seniors, persons with disabilities, or are in the labor force. Many others are enrolled in school or are single adults caring for a young child or a person with a disability.

BOX 1: DEFINITIONS

AREA MEDIAN INCOME (AMI): The median family incomes in the metropolitan or nonmetropolitan area

EXTREMELY LOW INCOME (ELI): Households with incomes at or below the Poverty Guideline or 30% of AMI, whichever is higher

VERY LOW INCOME (VLI): Households with incomes between ELI and 50% of AMI

LOW INCOME (LI): Households with incomes between 51% and 80% of AMI

MIDDLE INCOME (MI): Households with incomes between 81% and 100% of AMI

ABOVE MEDIAN INCOME: Households with incomes above 100% of AMI

COST BURDEN: Spending more than 30% of household income on housing costs

SEVERE COST BURDEN: Spending more than 50% of household income on housing costs

Work requirements and time limits are not meaningful reforms to the housing safety net given that most of those who need federal housing assistance and those who already receive it are elderly or disabled, or they are already in the labor force (Fischer, 2016). Time limits for federal housing assistance would further contribute to housing insecurity among extremely low income households working in low-wage jobs. No data exist showing that work requirements lift people out poverty or do not increase housing instability among vulnerable extremely low income renters (Levy, Edmonds, & Simington, 2018).

Housing assistance provides **vulnerable families** with the **stable housing** they need to achieve positive **economic, educational, and health** outcomes.

Housing assistance provides vulnerable families with the stable housing they need to achieve positive economic, educational, and health outcomes. Taking away housing assistance from struggling families will not help them find gainful employment, receive quality education, or obtain the job training necessary to alleviate poverty. Research shows that the lack of stable housing can result in the loss of employment (Desmond & Gershenson, 2016), interrupt student learning, and decrease academic achievement (Brennan, Reed, & Sturtevant, 2014).

NLIHC urges policymakers to focus on real solutions to housing instability, including a bold and sustained commitment to proven affordable housing programs to ensure that everyone has a safe, accessible and affordable home.

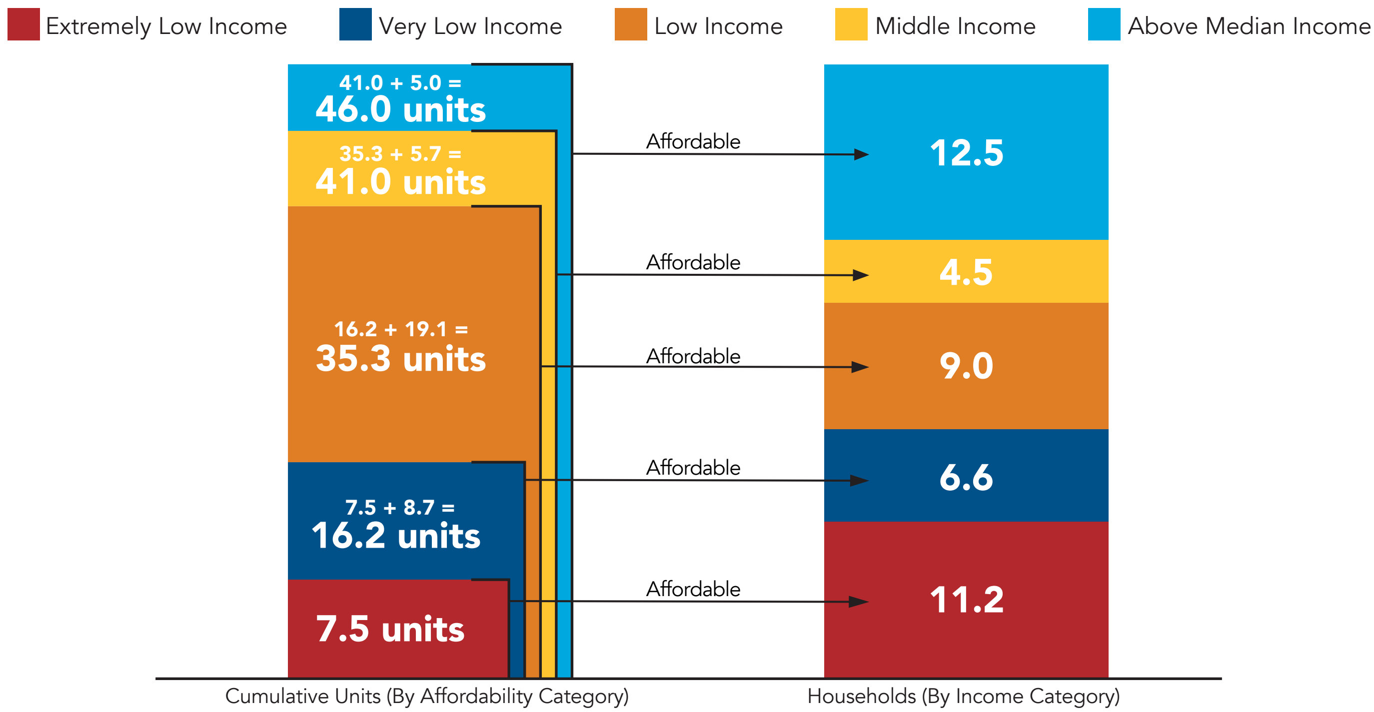
THE CURRENT SHORTAGE OF AFFORDABLE RENTAL HOMES

Of the 43.8 million renter households in the U.S., 11.2 million (more than one-quarter) are extremely low income. Assuming housing costs should consume no more than 30% of a household's income, a common standard of housing affordability, approximately 7.5 million rental homes are affordable to extremely low income renters, leading to an absolute shortage of approximately 3.7 million affordable rental homes. Extremely low income renters are the only income group facing an absolute shortage of affordable units.[1]

The shortage of affordable rental units becomes a surplus higher up the income ladder, because households with more income can afford a wider range of housing prices (Figure 1). For example, there are 8.7 million rental homes specifically affordable to the 6.6 million very low income renter households with incomes between 31% and 50% of AMI. Very low income households, however, can also afford the 7.5 million rental homes affordable to extremely low income households, meaning there are 16.2 million rental homes affordable to very low income households. Likewise, there are almost 9 million low income renter households with incomes between 51% and 80% of AMI and 19.1 million rental units affordable specifically to them. Including rental homes affordable to extremely low income and very low income renter households, the supply of affordable rental housing for low income households is 35.3 million units.

1 Throughout this report, we use renters and renter households interchangeably to refer to renter households.

FIGURE 1: RENTAL UNITS AND RENTERS IN THE US, MATCHED BY AFFORDABILITY AND INCOME CATEGORIES, 2016 (IN MILLIONS)



Source: NLIHC tabulations of 2016 ACS PUMS data.

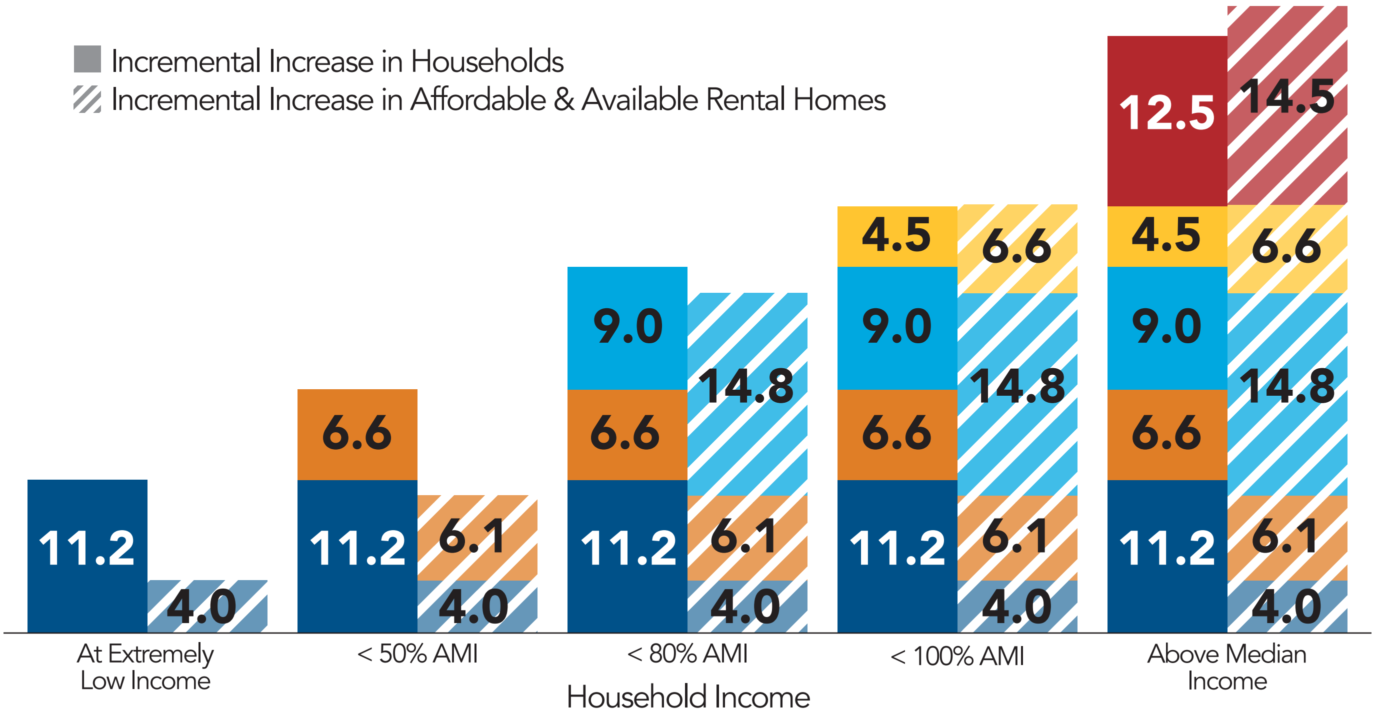
AFFORDABLE, BUT NOT NECESSARILY AVAILABLE

Higher income households can occupy rental homes in the private market that are affordable to lower income households, making them unavailable for households with lower incomes. Rental homes are both affordable and available at a particular level of income if they are affordable to households with incomes below the defined income level and are currently vacant, or occupied by a household with income below the defined income level. Of the 7.5 million affordable rental homes for extremely low income households, 3.5 million are occupied by higher income households, making them unavailable to extremely low income renters. As a result, four million affordable and available rental homes exist for the 11.2 million extremely low income renter households. This results in a shortage of approximately 7.2 million affordable and available rental homes for extremely low income households, or only 35 for every 100 extremely low income renter households.

Figure 2 shows the incremental change in the number of renters and the supply of affordable and available rental homes at increasingly higher levels of income. The figure shows a cumulative shortage of affordable and available rental homes at the lower income levels and the eventual surplus at higher levels. A significant cumulative shortage of affordable and available rental homes exists for renter households earning less than 50% of AMI. While there are 6.6 million renter households with incomes between 31% and 50% of AMI, 6.1 million additional units are affordable and available when the income threshold is raised from extremely low income to 50% of AMI. Some of these 6.1 million homes are occupied by extremely low income households, although with significant rent burdens.

The cumulative shortage of affordable and available rental homes is significantly smaller at 80% of AMI. The 9 million renter households with incomes between 51% and 80% of AMI is significantly fewer than the 14.8 million additional affordable and

FIGURE 2: RENTER HOUSEHOLDS AND AFFORDABLE & AVAILABLE RENTAL HOMES, 2016



Source: NLIHC tabulations of 2016 ACS PUMS data.

available rental homes when the income threshold is raised from 50% to 80% of AMI. Figure 2 shows that a shortage of affordable and available rental homes for households with incomes over 50% of AMI is due to the shortage of affordable and available rental homes for those with incomes below 50% of AMI.

Thirty-five affordable and available rental homes exist for every 100 extremely low income renter households and 56 exist for every 100 renter households earning at or below 50% of AMI (Figure 3). Ninety-three and 101 affordable and available rental homes exist for every 100 renter households earning at or below 80% of AMI or 100% of AMI, respectively.

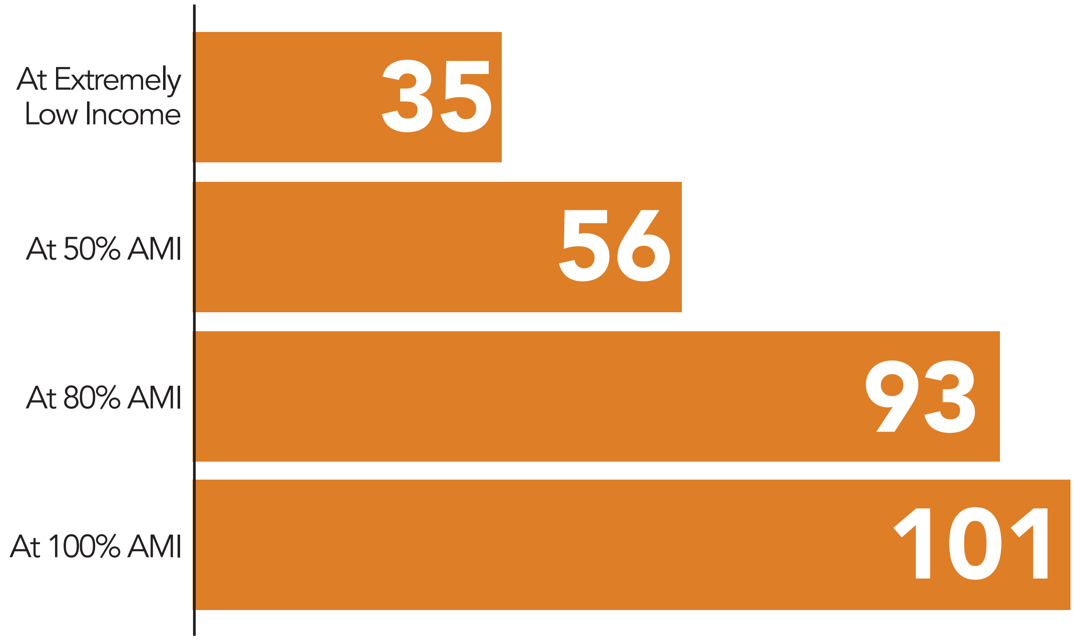
The severe shortage of rental homes affordable and available to the lowest income households predates the Great Recession, but has worsened in recent years. In 2007, 40 affordable and available rental homes existed for every 100 extremely low renter households and 67 existed for every 100 renter households with incomes at or below 50% of AMI. A small surplus of affordable and available rental homes existed at 80% and 100% of AMI in 2007. Since then, the supply of affordable and available rental homes (relative to demand) has declined even at these higher income levels. Renter households at 100% of AMI, however, still enjoy a surplus nationally and in most markets.

COST BURDENS

A household is considered cost-burdened when it spends more than 30% of its income on rent and utilities, and severely cost-burdened when it spends more than 50%. Cost burdens directly result from the shortage of affordable and available rental homes and low incomes.

Nearly 9.7 million extremely low income, 5 million very low income, 4.1 million low income, and 923,726 middle income renter households are cost-burdened (Figure 4). Eleven million renter households in the United States are severely cost-burdened. Almost eight million, or nearly three-quarters, of them are

FIGURE 3: AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS, 2016



Source: NLIHC tabulations of 2016 ACS PUMS data.
AMI = Area Median Income

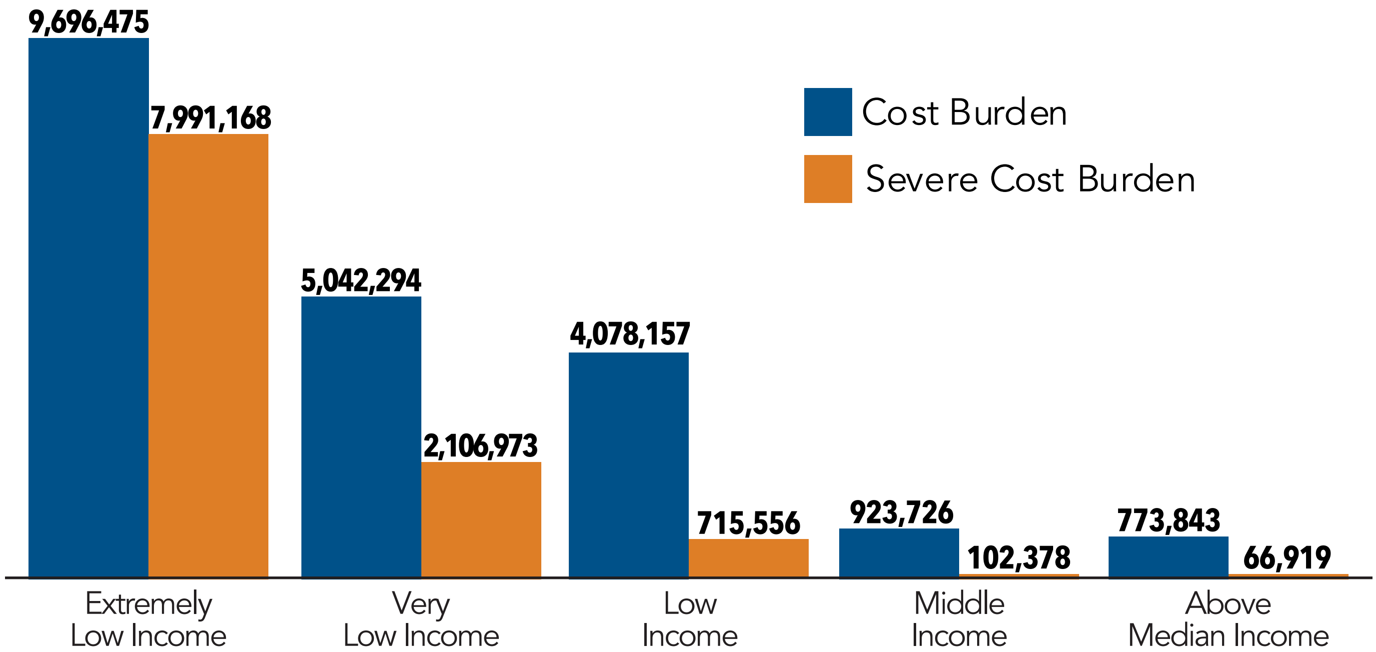
extremely low income. Extremely low income renter households are more likely to experience severe cost burdens than any other income group.

Severe housing cost burdens can have negative consequences for household members' physical and mental well-being. Poor households with children who are severely cost-burdened spend 75% less on healthcare and 40% less on food than similarly poor households who are not cost-burdened; and poor seniors who are severely cost-burdened spend 62% less on healthcare (Joint Center for Housing Studies, 2017). These households forego healthy food or delay healthcare or medications to pay the rent. Meanwhile, financial hardships are associated with lower levels of psychological well-being (Maqbool, Viveiros, & Ault, 2015).

Housing cost burdens also make it more difficult for poor households to accumulate emergency savings. Without emergency savings, unexpected costs (e.g. car repairs, medical bills, etc.) or loss of income (e.g. reduced work hours) can cause households to fall behind on rent or even face eviction. In this way, the shortage of affordable housing and resulting cost burdens contribute directly to housing instability and homelessness. Data from the 2013 American Housing Survey (AHS) show that households in poverty with severe cost burdens are more likely to fall behind on rent payments and be threatened with eviction than poor households with no cost burdens (Figure 5).

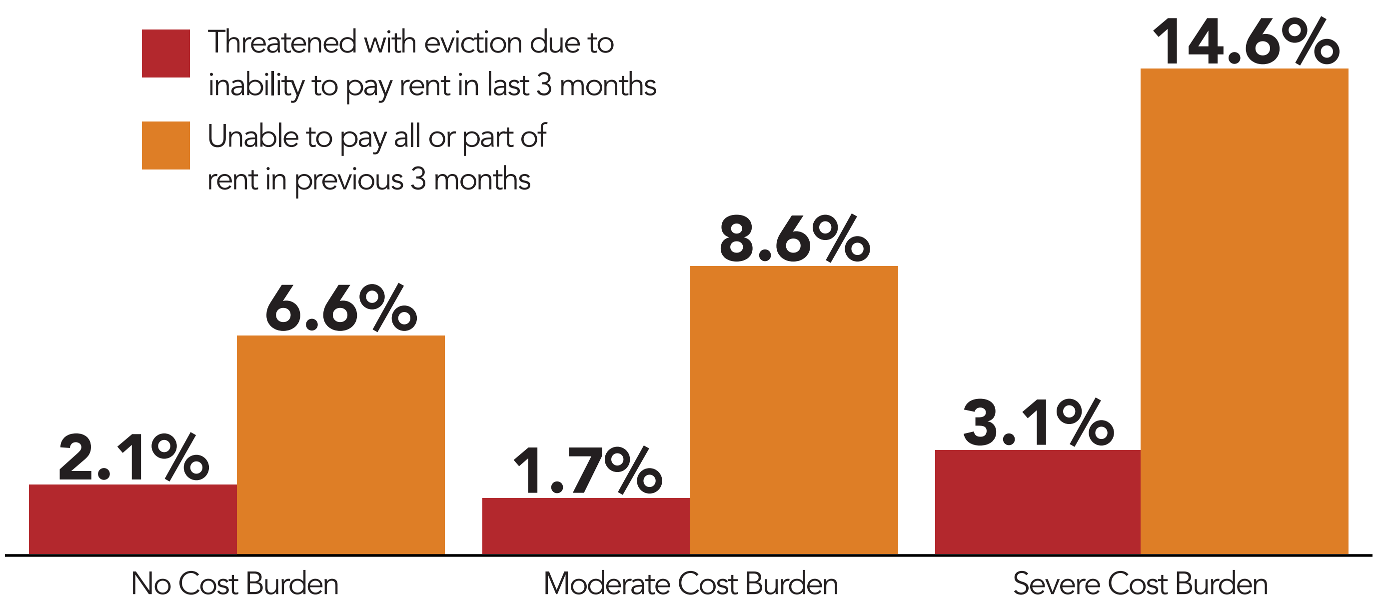
Housing instability causes significant disruptions in critical services and economic stability. The lack of stable housing, for example, can disrupt the care given to chronically ill individuals or interrupt student learning and decrease academic achievement (Maqbool, Viveiros, & Ault, 2015; Brennan, Reed, & Sturtevant, 2014). Housing instability can also undermine economic stability by disrupting employment. Desmond & Gershenson (2016) found the likelihood of job loss increases for working renters who lose their home (primarily through eviction), indicating that affordable housing and housing subsidies are foundational to employment and economic security.

FIGURE 4: RENTER HOUSEHOLDS WITH COST BURDEN BY INCOME GROUP, 2016



Source: NLIHC tabulations of 2016 ACS PUMS data.

FIGURE 5: PERCENTAGE OF POOR HOUSEHOLDS THAT FACE HOUSING INSTABILTY BY COST BURDEN



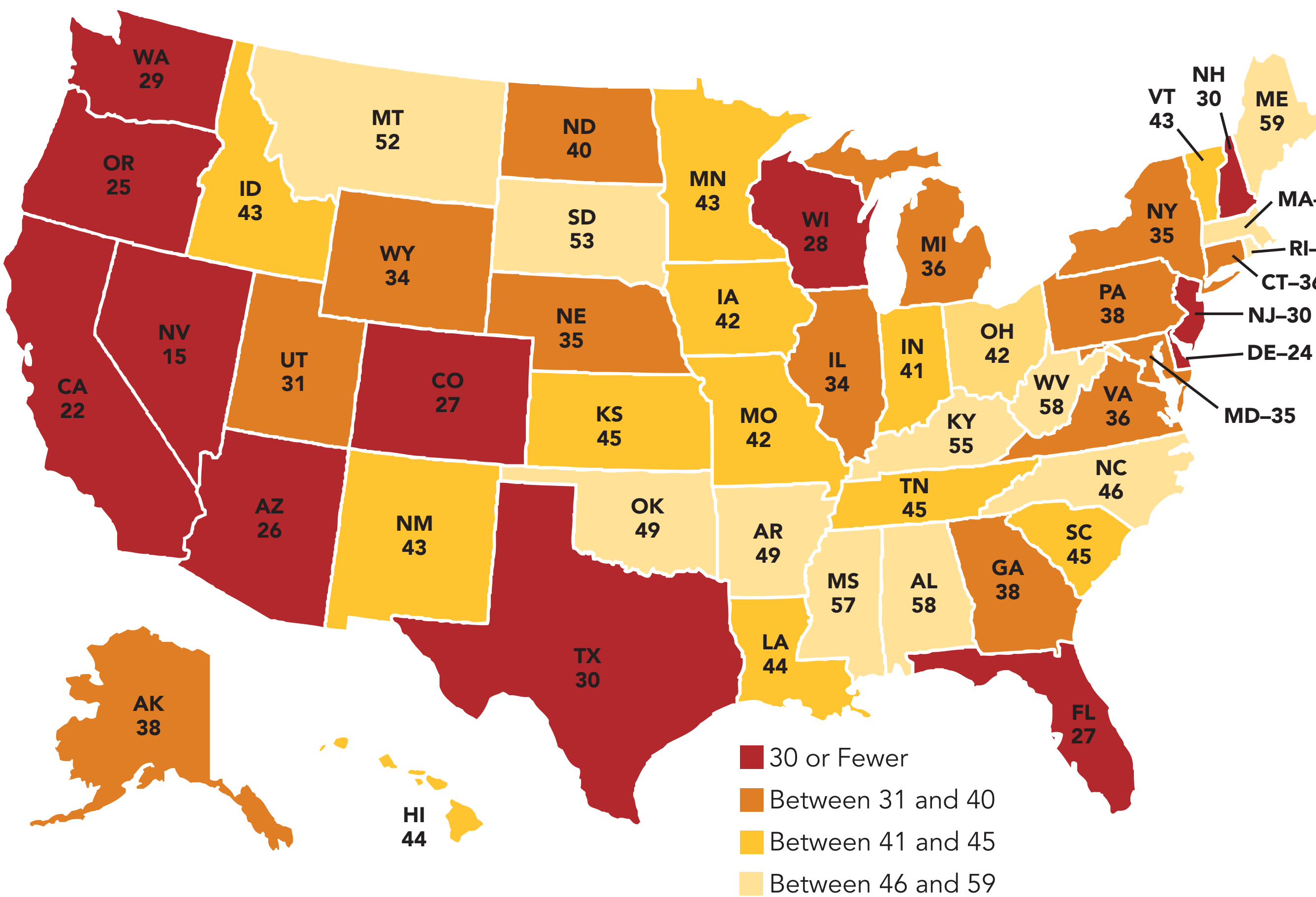
Note: Households with no cost burden spend less than 30% of their income on housing costs. Households with moderate cost burdens spend between 30% and 50% of their income on housing costs. Households with severe cost burdens spend more than 50% of their income on housing.
Source: American Housing Survey, 2013.

EVERY STATE AND LARGE METRO AREA HAS A HOUSING SHORTAGE FOR EXTREMELY LOW INCOME RENTERS

THE STATES

No state, including the District of Columbia, has an adequate supply of rental housing for extremely low income households (Figure 6 and Appendix A). The shortage of affordable and available rental homes ranges from 10,781 in Wyoming to 1,083,466 in California. The states where extremely low income renters face the greatest challenge in finding affordable and available homes are Nevada, with only 15 affordable and available rental homes for every 100 extremely low income renter households, California (22/100), Delaware (24/100), and Oregon (25/100). The states with the greatest supply of affordable and available rental homes for extremely low income renters still have significant shortages. They are Maine with 59 affordable and available homes for every 100 extremely low income renter households, Alabama (58/100), West Virginia (58/100), and Mississippi (57/100).

FIGURE 6: RENTAL HOMES AFFORDABLE AND AVAILABLE PER 100 EXTREMELY LOW INCOME RENTER HOUSEHOLDS BY STATE



Note: Extremely low income (ELI) renter households have incomes at or below the poverty level of 30% of the area median income
Source: NLIHC tabulations of 2016 ACS PUMS Data.

The majority of extremely low income renter households are severely cost-burdened in every state and the District of Columbia. The states with the greatest percentage of extremely low income renter households with a severe cost burden are Nevada (80%), Florida (79%), California (77%), Oregon (76%), Arizona (75%), and Colorado (75%).

The shortages of affordable and available rental homes disappear for households higher up the income ladder. Every state has a shortage of affordable and available rental homes at the very low income threshold of 50% of AMI, 20 states have a shortage of housing at 80% of AMI, and just seven states have a shortage at median income.

THE LARGEST 50 METROPOLITAN AREAS[2]

Every major metropolitan area in the U.S. has a shortage of affordable and available rental homes for extremely low income households (Table 1 and Appendix B). Of the 50 largest metropolitan areas, extremely low income renters face the most severe relative shortages in Las Vegas, NV with 10 affordable and available rental homes for every 100 extremely low income renter households, Los Angeles, CA (17/100), Orlando, FL (17/100), Sacramento, CA (19/100), Dallas, TX (19/100), and Houston, TX (19/100).

Of the large metropolitan areas with the least severe shortages of homes affordable and available to extremely low income renters, Providence, RI has 47 for every 100 extremely low income renter households and Boston, MA and Louisville, KY have 46. The majority of extremely low income renter households are severely cost-burdened in all 50 of the largest metropolitan areas, ranging from 59% of extremely low income renter households in Providence, RI to 84% in Orlando, FL and Las Vegas, NV.

Each of the 50 largest metropolitan areas also has

TABLE 1: LARGE METROPOLIAN AREAS WITH THE LEAST AND MOST SEVERE SHORTAGES OF RENTAL HOMES AFFORDABLE TO EXTREMELY LOW INCOME HOUSEHOLDS

LEAST SEVERE		MOST SEVERE	
Metropolitan Area	**Affordable and Available Rental Homes per 100 Renter Households**	**Metropolitan Area**	**Affordable and Available Rental Homes per 100 Renter Households**
Providence-Warwick, RI-MA	47	Las Vegas-Henderson-Paradise, NV	10
Louisville/Jefferson County, KY-IN	46	Los Angeles-Long Beach-Anaheim, CA	17
Boston-Cambridge-Newton, MA-NH	46	Orlando-Kissimmee-Sanford, FL	17
Pittsburgh, PA	45	Sacramento--Roseville--Arden-Arcade, CA	19
Oklahoma City, OK	42	Dallas-Fort Worth-Arlington, TX	19
Buffalo-Cheektowaga-Niagara Falls, NY	41	Houston-The Woodlands-Sugar Land, TX	19
Cleveland-Elyria, OH	41	San Diego-Carlsbad, CA	20
Minneapolis-St. Paul-Bloomington, MN-WI	40	Riverside-San Bernardino-Ontario, CA	20
Cincinnati, OH-KY-IN	38	Phoenix-Mesa-Scottsdale, AZ	20
Hartford-West Hartford-East Hartford, CT	38	Miami-Fort Lauderdale-West Palm Beach, FL	22

Source: NLIHC tabulations of 2016 ACS PUMS data.

2 This report focuses on the larges 50 metropolitan areas, but The Gap's webpage includes data for 2007, 2010, 2013 and 2016 for the largest 70 metropolitan areas.

a shortage of affordable and available rental homes for households with incomes up to 50% of AMI. The supply ranges from 23 affordable and available rental homes for every 100 renter households in Los Angeles, CA, Orlando, FL and San Diego, CA to 83 in Cincinnati, OH. Thirty-one of the largest metropolitan areas have a shortage of affordable and available rental homes for households with incomes up to 80% of AMI, and 12 of them have a shortage for households up to median income.

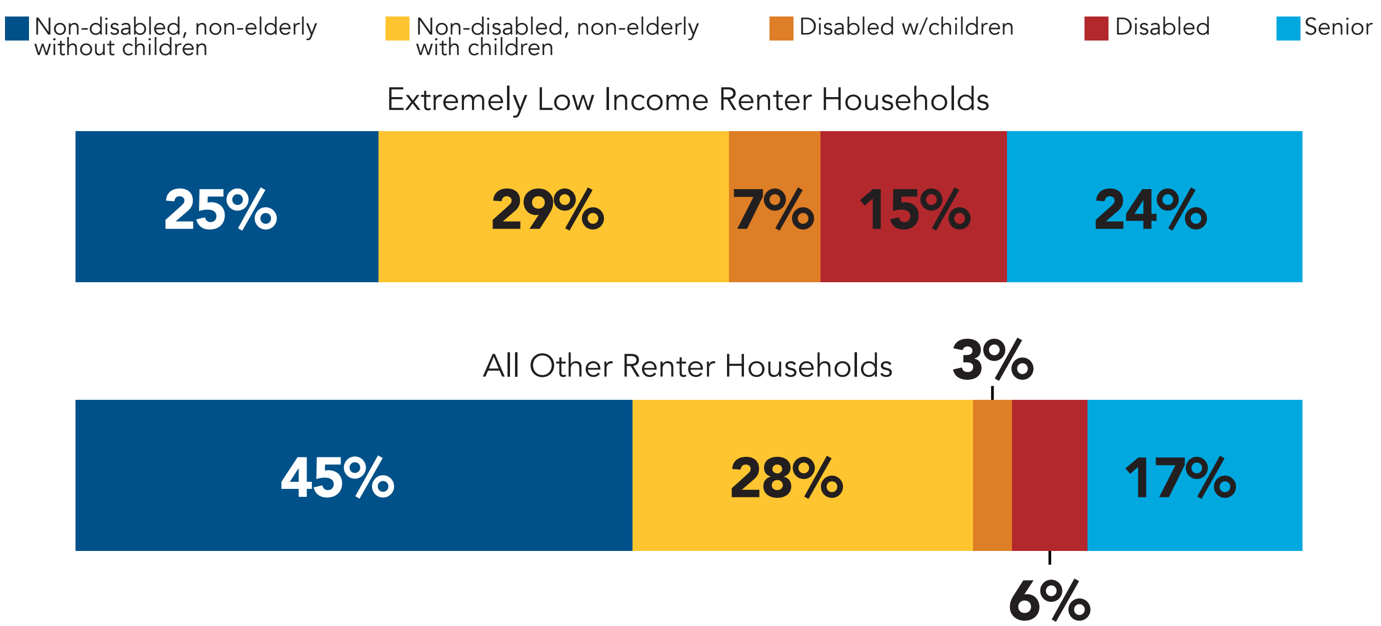
A CLOSER LOOK AT EXTREMELY LOW INCOME RENTER HOUSEHOLDS

Extremely low income renters are more likely than other renters to be seniors or disabled or to have children, indicating their potentially greater vulnerability to hardship. Forty-six percent of extremely low income renter households are seniors or disabled, compared to 26% of other renter households (Figure 7). Only 25% of extremely low income renter households are non-disabled non-seniors with no children, compared to 45% of other renter households.

Households with special needs are more likely than other households to have extremely low incomes. Among renters, 46% of disabled householders without children, 44% of disabled householders with children, and 32% of senior households have extremely low incomes, compared to 26% of non-disabled non-senior households with children and 16% of non-disabled non-senior households without children (Figure 8).

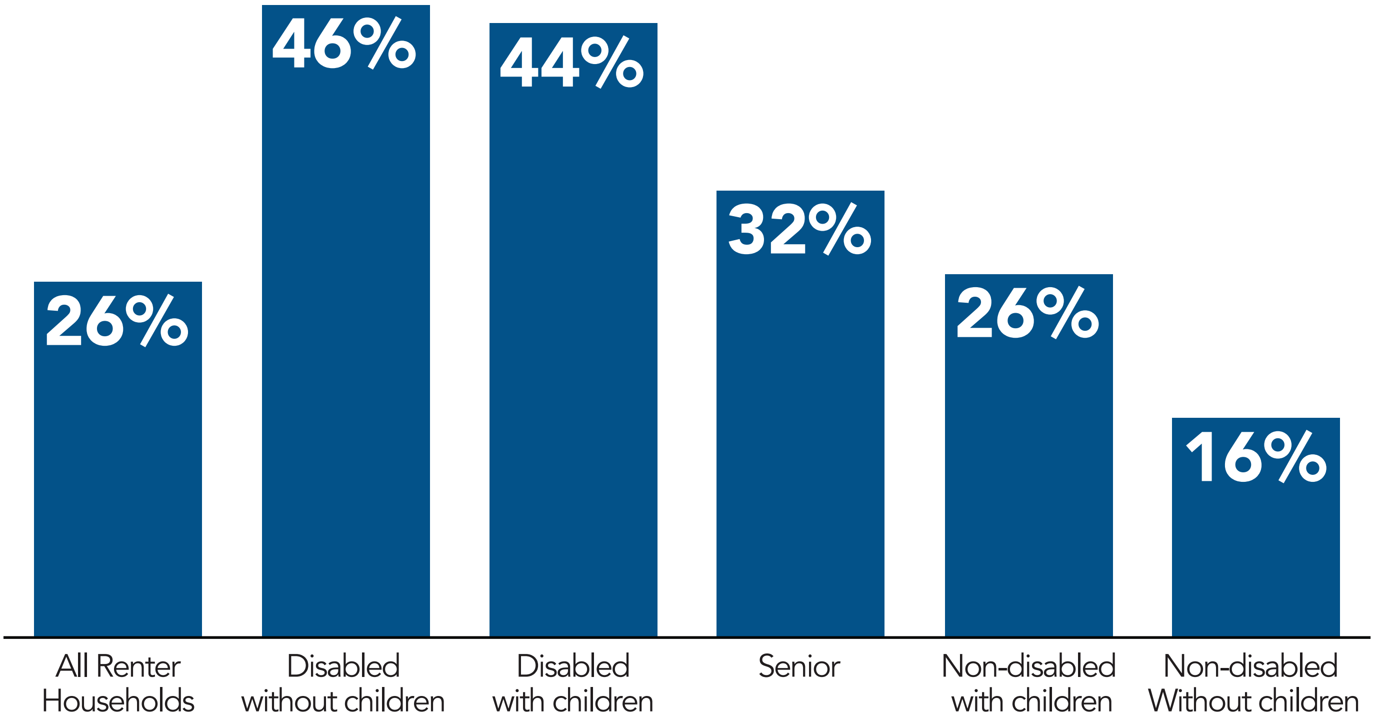
Black and Hispanic renter households are more likely to have extremely low incomes than white households. Thirty-five percent of the 8.5 million non-Hispanic black renter households are extremely low-income, as are 29% of all Hispanic renter households (Table 2). By comparison, 21% of the 23.2 million non-Hispanic white renter households are extremely low income. This disparity stems from higher wages for white renters and other racial disparities in income and wealth.

FIGURE 7: HOUSEHOLD TYPE BY INCOME



Note: Senior means householder or householder's spouse is at least 62 years of age, regardless of children in the household. Disabled means householder and householder's spouse (if applicable) are younger than 62 and at least one of them has a disability. Source: NLIHC tabulations of 2016 ACS PUMS data.

FIGURE 8: PERCENT EXTREMELY LOW INCOME BY HOUSEHOLD TYPE



	All Renter Households	Disabled without children	Disabled with children	Senior	Non-disabled with children	Non-disabled without children
Total Renters*	43.8	3.7	1.9	8.4	12.3	17.5
ELI Renters*	11.2	1.7	0.8	2.7	3.2	2.8

Note: *Households in millions. Senior means householder or householder's spouse is at least 62 years of age. Disabled means householder and householder's spouse (if applicable) are younger than 62 and at least one of them has a disability. Source: NLIHC tabulations of 2016 ACS PUMS data.

TABLE 2. EXTREMELY LOW INCOME RENTER HOUSEHOLDS BY RACE

	All Renter Households	Non-Hispanic White	Non-Hispanic Black	Asian	Hispanic	Other
Total (in millions)	43.8	23.2	8.5	2.3	8.4	1.5
Extremely Low Income (ELI) (in millions)	11.2	4.9	2.9	0.5	2.4	0.4
% ELI	26%	21%	35%	24%	29%	28%
Severely Cost Burdened ELI (in millions)	8.0	3.5	2.1	0.4	1.7	0.3
% of ELI w/ Severe Cost Burden	71%	71%	71%	76%	71%	71%

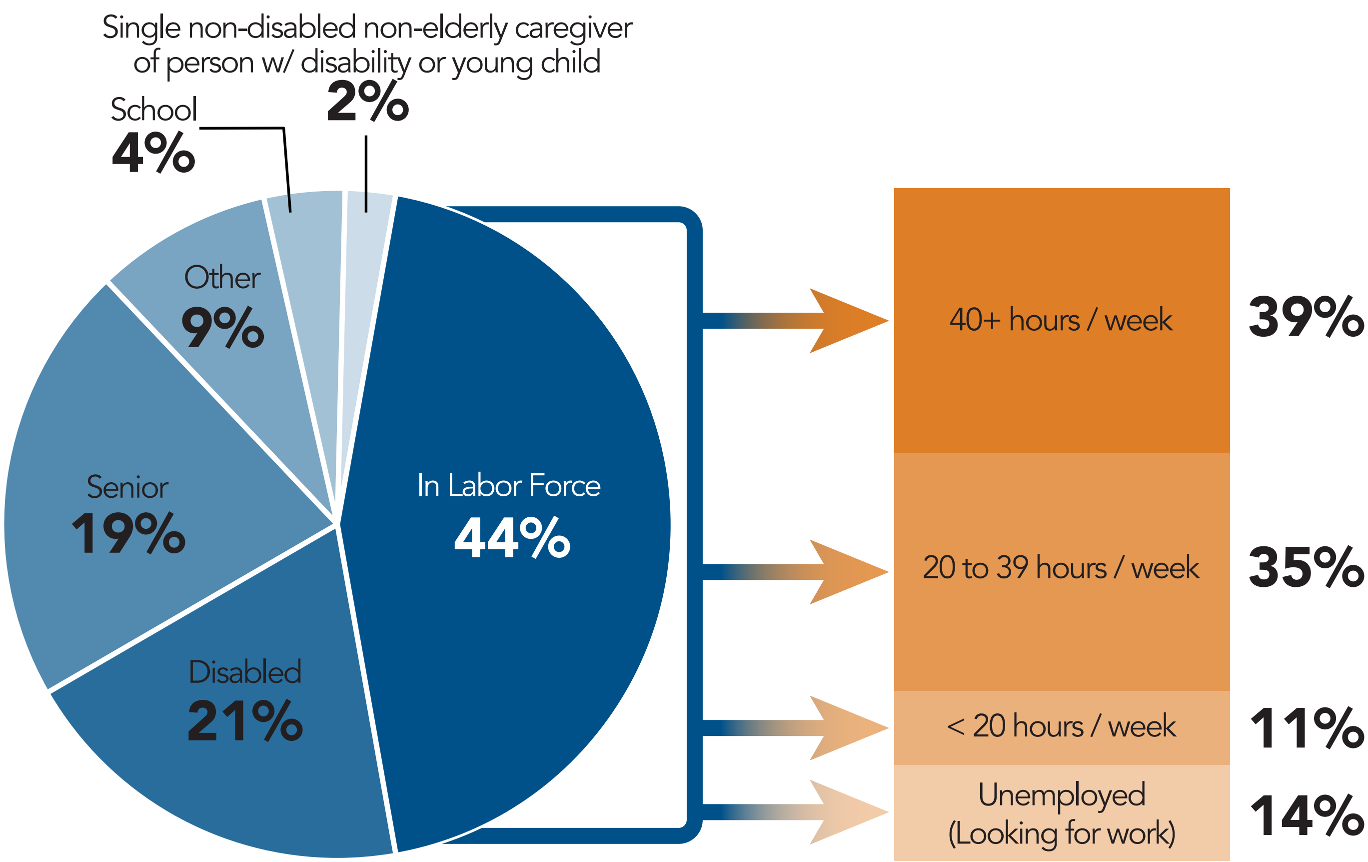
Source: NLIHC tabulation of 2016 ACS PUMS data.

EXTREMELY LOW INCOME RENTERS WITH SEVERE COST BURDENS

Extremely low income renter households with severe cost burdens have the most pressing needs. Forty percent of them are disabled or seniors, and 44% are in the labor force (Figure 9). And of those in the labor force, nearly 9 out of 10 either work at least 20 hours per week or are looking for work.

Low-wage employment often does not provide adequate income to afford housing. The national average of what a full-time worker, working 40 hours per week for all 52 weeks of the year, needs to earn to afford a modest one-bedroom or two-bedroom apartment is $17.14 and $21.21 per hour, respectively (NLIHC, 2017a). Six of the seven fastest growing occupations, including personal care and home health aides, food service, and retail, pay less than this hourly rate. Extremely low income workers are particularly challenged. Nationally, a worker earning the federal minimum wage needs to work an average of 94.5 hours per week (more than

FIGURE 9: SEVERELY COST BURDENED EXTREMELY LOW INCOME RENTER HOUSEHOLDS



Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single-adult caregiver, and other. Senior means householder or householder's spouse (if applicable) is at least 62 years of age. Disabled means householder and householder's spouse (if applicable) are younger than 62 and at least one of them has a disability. Unemployed means household and householder's spouse (if applicable) are younger than 62 and unemployed. Working hours is usual number of hours worked by householder and householder's spouse (if applicable). Enrolled in school means householder and householder's spouse (if applicable) are enrolled in school. Nearly 11% of severely cost burdened extremely low income renters are single-adult caregivers of a young child or disabled person, three-quarters of whom are in the labor force and three percent of whom are in school. Source: 2016 ACS PUMS.

2.3 full-time jobs) to afford a modest one-bedroom apartment.

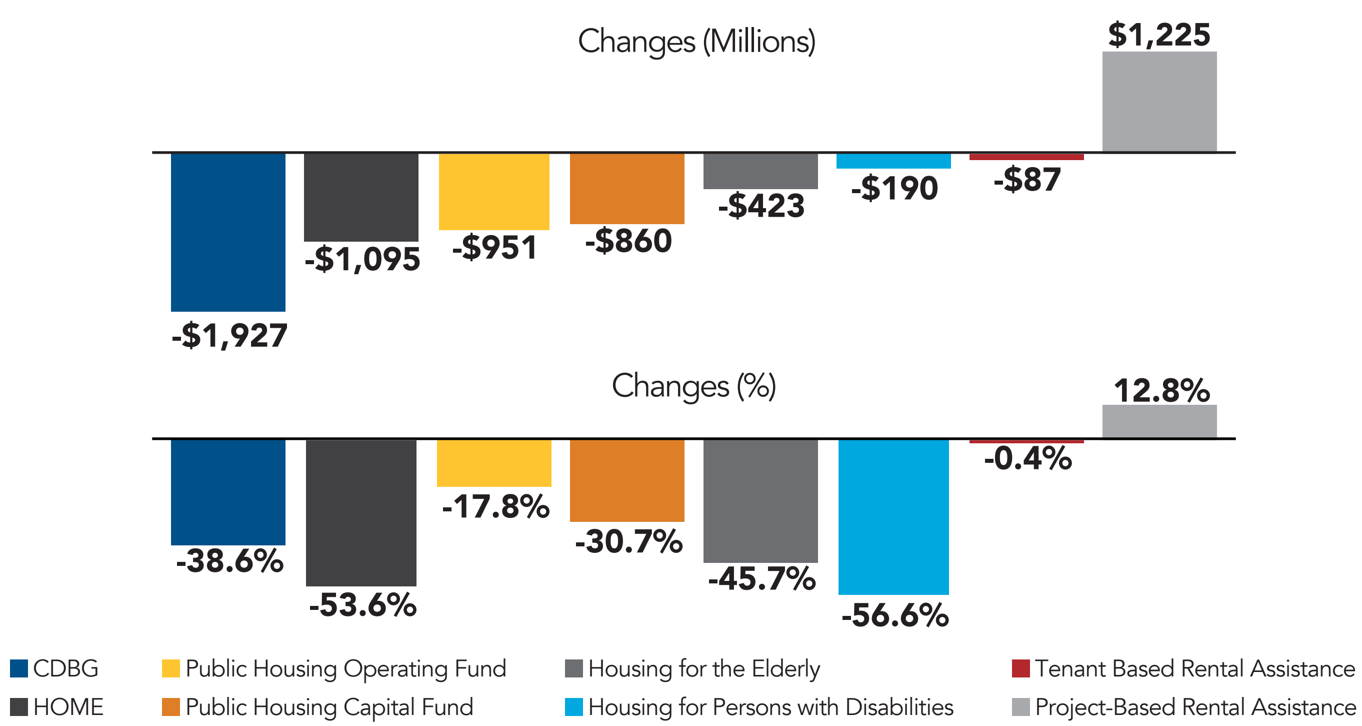
Extremely low income renter households with severe cost burdens are disproportionately Hispanic and black. Fifty-three percent of all renter households are non-Hispanic white, 19% are non-Hispanic black, and 19% are Hispanic. However, 43% of severely cost-burdened extremely low income households are white, 26% are non-Hispanic black, and 22% are Hispanic. This inequity in severe cost-burdens reflects the fact the Hispanic and black households are more likely to be extremely low income than white households.

FEDERAL POLICY SOLUTIONS

The severe shortage of affordable homes faced by the lowest income households is systemic. Absent public subsidy, the private market is largely unable to produce new rental housing affordable to these households or maintain the existing affordable stock. The rents the lowest income households can afford typically do not cover the costs of development and operating expenses, so new rental housing development is largely geared toward the higher end of the market. According to the Joint Center for Housing Studies (2017), from 2005 to 2015, the number of homes renting for $2,000 or more per month increased by 97%, while the number renting for less than $800 declined by 2%. The same report notes that while the rental market added more than 6.7 million housing units during this period, the number of units renting for less than $800 declined by more than 260,000. In 2016, a four-person family living in poverty could only afford a monthly rent of $607.50 without being cost-burdened.

Because of the lack of affordable new construction in the private market and insufficient rental assistance, the lowest income households rely on housing that "filters" down as it becomes older and more affordable. The filtering process, however, fails to produce a sufficient supply of affordable rental

FIGURE 10: CHANGES IN FUNDING LEVELS FOR KEY HUD PROGRAMS (FY10-FY17)



Note: Adjusted for inflation.

homes inexpensive enough for the lowest income renters to afford. In strong markets, owners have an economic incentive to redevelop their properties for higher income renters. In weak markets, owners have an incentive to abandon their properties or convert them to other uses when rent revenues no longer cover basic operating costs and maintenance. In short, when it comes to the lowest income renters, public subsidies are needed either to subsidize the production and operation of affordable housing or to provide rental assistance that low income families can utilize to afford market-rate units.

Federal funding for key HUD programs that assist low income renters has not kept pace with the nation's needs. The Budget Control Act of 2011 imposed severe caps on federal discretionary spending that have since placed significant downward pressure on funding for these programs. Adjusted for inflation, public housing received $1.8 billion less for capital and operating support in FY17 than in FY10, HOME received $1.1 billion less, housing for the elderly and disabled received $613 million less, and Housing Choice Vouchers received $87 million less (Figure 10). In total, funding for key HUD programs declined by 9.3% from FY10 to FY17.

Making matters worse, President Trump proposes sweeping changes to further restrict and reduce critical federal investments that help extremely low income renters. The president has again proposed severe spending cuts for FY19. If enacted, the president's FY19 budget request would lead to the largest reduction to affordable housing and community development investments in decades. By slashing funding for HUD, Mr. Trump's proposed FY19 budget would lead to more than 200,000 families losing vital federal rental assistance and to the elimination of programs that support state and local efforts to address housing needs (NLIHC, 2018).

Moreover, the president and Congress may undertake administrative and legislative efforts to impose work requirements, arbitrary time limits, and other harmful changes to scale back the federal government's role in ensuring that vulnerable families – including the lowest income seniors, people with disabilities, families with children, low-wage workers, and people experiencing homelessness – have access to basic living standards, including an adequate and affordable home. These changes to housing assistance are misguided. As demonstrated by this report, the vast majority of extremely low income renters are seniors, persons with disabilities, or they are already in the labor force. Of those working, their wages are insufficient to afford housing without assistance. No data exist that show work requirements lift people out of poverty (Levy, Edmonds, & Simington, 2018). Time limits would further increase their vulnerability to housing insecurity.

> Instead of cutting housing assistance that would threaten the housing stability of vulnerable families, Congress and the Trump administration **should fully address the affordable housing needs of vulnerable families**.

Federal investments in the affordable housing programs at HUD and the U.S. Department of Agriculture (USDA) provide families and communities with the resources they need to thrive. Access to affordable housing has wide ranging, positive impacts. When families have stable, decent, and accessible homes that they can afford, they are better able to maintain employment, perform better in school, and achieve improved health and well-being (Desmond & Gershenson, 2016; Maqbool, Viveiros, & Ault, 2015; Brennan, Reed, & Sturtevant, 2014).

Instead of cutting housing assistance that would threaten the housing stability of vulnerable families, Congress and the Trump administration should fully address the affordable housing needs of vulnerable families.

While every state and congressional district is impacted by the shortage of affordable homes for extremely low income families, the specific housing challenges differ from community to community. Strong housing markets provide a different set of challenges than weaker markets even though the poorest renters cannot afford housing in either. NLIHC encourages policymakers to support a comprehensive set of tools to solve this problem, including capital investments and rental assistance.

Capital investments are needed to build, preserve and rehabilitate homes affordable to the lowest income people. These dollars can address other challenges as well, like revitalizing distressed communities, providing housing options for low income families in tight or gentrifying markets, and producing accessible housing for persons with disabilities.

The national Housing Trust Fund (HTF) provides block grants to states for the creation or rehabilitation of homes affordable to extremely low income and very low income households. The HTF is funded through small mandatory contributions from Fannie Mae and Freddie Mac (government-sponsored enterprises or GSEs). Housing finance reform related to the GSEs offers an opportunity to increase significantly resources for the HTF. Previous reform proposals included $3.5 billion annually for the national HTF, making a significant contribution to ending housing instability and homelessness. This amount should be the starting point to build bi-partisan support for any future legislation regarding reform.

In addition to the HTF, a significant increase in capital investment is needed for the rehabilitation and preservation of the nation's public housing infrastructure. This stock provides stable housing

THE PROBLEM:

The U.S. has a shortage of more than **7.2 MILLION** rental homes affordable and available to extremely low income renter households.

to some of the nation's most vulnerable renters but faces a significant backlog of capital repair needs (Finkel et al. 2010; NLIHC, 2017b).

NLIHC also supports efforts to expand and improve the Low Income Housing Tax Credit (LIHTC). The recent tax bill's reduction in the corporate tax rate may lower the value of tax credits, making it more difficult to generate equity for affordable housing development. Congress should expand and make improvements to LIHTC to more deeply target the housing needs of extremely low income renter households. These improvements include a 50% basis boost in tax credits for developments that set aside at least 20% of their housing for extremely low income renters; and income averaging, which would allow a development to use tax credits to serve renters with incomes up to 80% of AMI, as long as the average household income limit is 50% or 60% of AMI. Senators Maria Cantwell (D-WA) and Orin Hatch (R-UT) introduced a bill, "The Affordable Housing Credit Improvement Act of 2017" (S. 548), that includes these reforms and an expansion of LIHTC by 50% over five years.

Rental assistance like Housing Choice Vouchers has a proven track record of reducing homelessness and housing instability and improving adult and child well-being (Gubits et al., 2016). Policymakers should prioritize expanding housing vouchers, which allow recipients to afford housing in the private market. Voucher recipients contribute 30% of their income toward housing costs and the voucher pays the remaining costs up to the local housing agency's payment standard. Vouchers typically cost less than new production, making them a preferred form of housing assistance in weak markets with an abundance of vacant, physically adequate housing. Additional local policies must assist recipients with overcoming local barriers to vouchers, including preventing housing discrimination by landlords against voucher holders and reducing land use and building restrictions in strong markets that artificially limit the rental housing supply.

The lack of decent, accessible, and affordable housing, especially among people with the lowest incomes, is a significant barrier to housing and economic stability and other societal benefits. Our nation must make the critical investments in affordable housing needed to help the economy, our communities, families, and children thrive.

Our nation must make the **critical investments** in affordable housing **needed to help** the economy, our **communities, families, and children** thrive.

ABOUT THE DATA

This report is based on data from the 2016 American Community Survey (ACS) Public Use Microdata Sample (PUMS). The ACS is an annual nationwide survey of approximately 3.5 million addresses. It provides timely data on the social, economic, demographic, and housing characteristics of the U.S. population. PUMS contains individual ACS questionnaire records for a subsample of housing units and their occupants.

PUMS data are available for geographic areas called Public Use Microdata Sample Areas (PUMAs). Individual PUMS records were matched to their appropriate metropolitan area or given nonmetropolitan status using the Missouri Data Center's MABLE/Geocorr14 online application. If at least 50% of a PUMA was in a Core Based Statistical Area (CBSA), we assigned it to the CBSA. Otherwise, the PUMA was given nonmetropolitan status.

Households were categorized (as extremely low income, very low income, low income, middle income, or above median income) by their incomes relative to their metropolitan area's median family income or state's nonmetropolitan median family income, adjusted for household size. Housing units were categorized according to the income needed to afford the rent and utilities without spending more than 30% of income. The categorization of units was done without regard to the incomes of the current tenants. Housing units without complete kitchen or plumbing facilities were not included in the housing supply.

After households and units were categorized, we analyzed the extent to which households in each income category resided in housing units categorized as affordable for that income level. For example, we estimated the number units affordable for extremely low income households that were occupied by extremely low income households and by other income groups.

We categorized households into mutually exclusive household types in the following order: (1) householder or householder's spouse were at least 62 years of age (seniors); (2) householder and householder's spouse (if applicable) were younger than 62 and at least one of them had a disability (disabled); (3) non-senior non-disabled household. We also categorized households into more detailed mutually exclusive categories in the following order: (1) elderly; (2) disabled; (3) householder and householder's spouse (if applicable) were younger than 62 and unemployed; (4) non-senior non-disabled householder and/or householder's spouse (if applicable) were working; (5) householder and householder's spouse (if applicable) were enrolled in school; (6) non-senior non-disabled single adult was living with a young child under seven years of age or person with disability.

More information about the ACS PUMS files is available at https://www.census.gov/programs-surveys/acs/technical-documentation/pums/about.html

FOR MORE INFORMATION

For further information regarding this report and the methodology, please contact Andrew Aurand, NLIHC Vice President for Research, at aaurand@nlihc.org or 202-662-1530 x245.

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APPENDIX A: STATE COMPARISONS

States in **RED** have less than the national level of affordable and available units per 100 households at or below the extremely low income (ELI) threshold

	Surplus (Deficit) of Affordable and Available Units		Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
State	At or below ELI	At or below 50% AMI	At or below ELI	At or below 50% AMI	At or below 80% AMI	At or below 100% AMI	At or below ELI	> ELI to 50% AMI	51% to 80% AMI	81% to 100% AMI
Alabama	(80,411)	(57,559)	58	79	110	112	67%	23%	3%	0%
Alaska	(10,797)	(10,445)	38	62	93	103	65%	30%	6%	0%
Arizona	**(159,599)**	**(178,791)**	**26**	**46**	**95**	**104**	**75%**	**35%**	**8%**	**2%**
Arkansas	(59,445)	(52,569)	49	69	104	107	65%	20%	4%	0%
California	**(1,083,466)**	**(1,538,269)**	**22**	**31**	**67**	**85**	**77%**	**48%**	**18%**	**5%**
Colorado	**(127,866)**	**(159,456)**	**26**	**46**	**90**	**100**	**75%**	**39%**	**8%**	**2%**
Connecticut	(89,481)	(81,312)	36	64	100	105	68%	27%	5%	1%
Delaware	**(20,400)**	**(19,285)**	**24**	**55**	**102**	**109**	**73%**	**29%**	**8%**	**0%**
District of Columbia	(31,666)	(23,214)	45	71	95	102	69%	24%	10%	1%
Florida	**(430,946)**	**(605,744)**	**26**	**35**	**79**	**96**	**79%**	**54%**	**19%**	**5%**
Georgia	(220,925)	(240,432)	38	55	100	105	73%	32%	6%	1%
Hawaii	(20,512)	(35,099)	44	44	71	90	65%	54%	30%	4%
Idaho	(29,124)	(25,771)	43	68	96	101	66%	20%	4%	1%
Illinois	**(309,287)**	**(289,543)**	**34**	**62**	**98**	**103**	**72%**	**27%**	**5%**	**2%**
Indiana	(134,998)	(83,636)	41	77	106	107	70%	17%	4%	1%
Iowa	(57,991)	(17,420)	42	90	106	106	66%	13%	3%	1%
Kansas	(52,878)	(29,484)	45	81	108	108	68%	17%	2%	1%
Kentucky	(82,463)	(67,068)	55	74	104	106	63%	18%	3%	1%
Louisiana	(112,517)	(122,516)	44	56	101	107	70%	32%	7%	3%
Maine	(16,118)	(17,904)	59	75	105	108	56%	17%	3%	0%
Maryland	(123,621)	(130,644)	35	57	100	105	74%	27%	6%	1%
Massachusetts	(162,286)	(172,007)	46	63	92	99	60%	31%	8%	2%
Michigan	(212,329)	(184,541)	36	65	100	103	71%	25%	4%	1%
Minnesota	(92,439)	(70,605)	43	75	99	103	62%	23%	2%	1%
Mississippi	(48,152)	(50,143)	57	67	103	108	66%	26%	5%	1%
Missouri	(119,751)	(67,129)	42	80	106	107	67%	15%	3%	2%
Montana	(16,467)	(10,857)	52	81	104	106	55%	17%	2%	1%
Nebraska	(42,856)	(22,860)	35	80	101	102	69%	15%	2%	1%
Nevada	**(81,787)**	**(101,385)**	**15**	**37**	**94**	**108**	**80%**	**38%**	**10%**	**1%**
New Hampshire	**(26,816)**	**(22,656)**	**30**	**67**	**99**	**103**	**66%**	**20%**	**3%**	**0%**
New Jersey	**(209,057)**	**(289,452)**	**30**	**41**	**89**	**100**	**73%**	**40%**	**7%**	**2%**
New Mexico	(40,697)	(43,201)	43	57	101	110	67%	33%	9%	1%
New York	(615,392)	(713,570)	35	52	83	95	71%	39%	11%	5%
North Carolina	(190,025)	(189,624)	46	66	103	108	70%	31%	4%	1%
North Dakota	(16,089)	(5,753)	40	88	114	113	70%	15%	2%	1%
Ohio	(262,612)	(166,780)	42	76	102	104	68%	20%	3%	1%
Oklahoma	(68,733)	(58,723)	49	73	106	107	65%	20%	3%	2%
Oregon	**(101,393)**	**(135,693)**	**25**	**42**	**86**	**96**	**76%**	**33%**	**8%**	**3%**
Pennsylvania	(261,690)	(229,702)	38	66	99	103	70%	25%	4%	2%
Rhode Island	(27,917)	(26,576)	48	69	99	103	60%	27%	4%	1%
South Carolina	(90,859)	(87,186)	45	64	100	105	71%	26%	5%	1%
South Dakota	(13,722)	(5,528)	53	89	107	106	68%	16%	2%	2%
Tennessee	(133,581)	(125,585)	45	65	101	105	68%	29%	4%	1%
Texas	**(613,185)**	**(672,160)**	**30**	**52**	**98**	**106**	**72%**	**30%**	**6%**	**2%**
Utah	**(41,842)**	**(43,740)**	**32**	**60**	**100**	**105**	**67%**	**22%**	**5%**	**1%**
Vermont	(12,145)	(12,497)	43	65	104	105	65%	13%	5%	9%
Virginia	(164,363)	(193,319)	36	54	100	106	72%	34%	5%	1%
Washington	**(163,726)**	**(189,708)**	**29**	**52**	**92**	**99**	**71%**	**34%**	**6%**	**2%**
West Virginia	(25,853)	(22,400)	58	75	106	109	64%	17%	4%	1%
Wisconsin	**(138,884)**	**(73,487)**	**28**	**78**	**101**	**102**	**71%**	**15%**	**3%**	**0%**
Wyoming	**(10,781)**	**(3,672)**	**34**	**87**	**111**	**111**	**71%**	**13%**	**4%**	**0%**
USA Totals	**(7,259,940)**	**(7,776,700)**	**35**	**56**	**93**	**101**	**71%**	**32%**	**8%**	**2%**

Source: NLIHC Tabulations of 2016 ACS PUMS data

APPENDIX B: METROPOLITAN COMPARISONS

Metropolitan Areas in **RED** have less than the national level of affordable and available units per 100 households at or below the extremely low income threshold

	Surplus (Deficit) of Affordable and Available Units		Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
Metro Area	**At or below ELI**	**At or below 50% AMI**	**At or below ELI**	**At or below 50% AMI**	**At or below 80% AMI**	**At or below 100% AMI**	**At or below ELI**	**31% to 50% AMI**	**51% to 80% AMI**	**81% to 100% AMI**
Atlanta-Sandy Springs-Roswell, GA	**(129,871)**	**(148,933)**	**24**	**49**	**98**	**104**	**78%**	**35%**	**5%**	**1%**
Austin-Round Rock, TX	**(43,017)**	**(54,770)**	**32**	**53**	**103**	**108**	**78%**	**31%**	**4%**	**2%**
Baltimore-Columbia-Towson, MD	(61,211)	(54,816)	37	64	99	106	72%	25%	7%	2%
Boston-Cambridge-Newton, MA-NH	(114,539)	(130,180)	46	60	89	97	60%	32%	9%	2%
Buffalo-Cheektowaga-Niagara Falls, NY	(31,146)	(14,821)	41	81	100	102	67%	17%	2%	1%
Charlotte-Concord-Gastonia, NC-SC	**(45,703)**	**(43,189)**	**34**	**63**	**102**	**107**	**75%**	**29%**	**4%**	**1%**
Chicago-Naperville-Elgin, IL-IN-WI	**(249,656)**	**(247,866)**	**29**	**56**	**96**	**102**	**75%**	**29%**	**6%**	**2%**
Cincinnati, OH-KY-IN	(51,599)	(23,177)	38	83	104	105	62%	19%	4%	2%
Cleveland-Elyria, OH	(54,569)	(35,911)	41	74	103	104	73%	22%	3%	3%
Columbus, OH	**(52,204)**	**(32,327)**	**31**	**73**	**102**	**105**	**77%**	**23%**	**4%**	**0%**
Dallas-Fort Worth-Arlington, TX	**(163,969)**	**(177,401)**	**19**	**51**	**99**	**105**	**77%**	**28%**	**5%**	**2%**
Denver-Aurora-Lakewood, CO	**(61,066)**	**(86,640)**	**25**	**41**	**87**	**99**	**74%**	**42%**	**8%**	**2%**
Detroit-Warren-Dearborn, MI	**(108,690)**	**(90,949)**	**31**	**63**	**101**	**103**	**73%**	**27%**	**4%**	**2%**
Hartford-West Hartford-East Hartford, CT	(32,893)	(24,030)	38	70	103	104	68%	25%	4%	0%
Houston-The Woodlands-Sugar Land, TX	**(180,102)**	**(194,670)**	**19**	**47**	**99**	**106**	**77%**	**31%**	**6%**	**2%**
Indianapolis-Carmel-Anderson, IN	**(53,679)**	**(30,816)**	**27**	**74**	**103**	**105**	**78%**	**16%**	**7%**	**2%**
Jacksonville, FL	**(29,047)**	**(31,551)**	**27**	**53**	**100**	**109**	**77%**	**43%**	**4%**	**1%**
Kansas City, MO-KS	**(47,880)**	**(24,633)**	**34**	**80**	**105**	**106**	**68%**	**16%**	**2%**	**1%**
Las Vegas-Henderson-Paradise, NV	**(63,686)**	**(83,398)**	**10**	**30**	**92**	**109**	**84%**	**44%**	**12%**	**1%**
Los Angeles-Long Beach-Anaheim, CA	**(419,972)**	**(646,708)**	**17**	**23**	**55**	**76**	**81%**	**55%**	**22%**	**7%**
Louisville/Jefferson County, KY-IN	(24,094)	(14,522)	46	81	105	107	64%	17%	2%	0%
Memphis, TN-MS-AR	**(43,149)**	**(42,840)**	**25**	**48**	**97**	**105**	**80%**	**39%**	**7%**	**0%**
Miami-Fort Lauderdale-West Palm Beach, FL	**(152,818)**	**(228,287)**	**22**	**25**	**52**	**77**	**80%**	**66%**	**31%**	**8%**
Milwaukee-Waukesha-West Allis, WI	**(56,061)**	**(28,453)**	**25**	**75**	**100**	**101**	**75%**	**18%**	**5%**	**1%**
Minneapolis-St. Paul-Bloomington, MN-WI	(64,998)	(54,240)	40	72	99	102	63%	24%	2%	1%
Nashville-Davidson--Murfreesboro--Franklin, TN	(37,150)	(39,392)	37	61	96	102	66%	29%	4%	1%
New Orleans-Metairie, LA	**(37,165)**	**(51,166)**	**33**	**41**	**94**	**104**	**77%**	**36%**	**11%**	**1%**
New York-Newark-Jersey City, NY-NJ-PA	**(621,789)**	**(848,380)**	**33**	**42**	**79**	**93**	**72%**	**44%**	**12%**	**5%**
Oklahoma City, OK	(27,379)	(19,939)	42	76	107	108	68%	20%	4%	0%
Orlando-Kissimmee-Sanford, FL	**(58,840)**	**(83,740)**	**17**	**23**	**77**	**102**	**84%**	**55%**	**17%**	**2%**
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	**(157,257)**	**(147,408)**	**29**	**57**	**96**	**103**	**76%**	**30%**	**6%**	**2%**
Phoenix-Mesa-Scottsdale, AZ	**(109,635)**	**(123,834)**	**20**	**43**	**93**	**102**	**78%**	**34%**	**8%**	**2%**
Pittsburgh, PA	(42,465)	(32,309)	45	76	102	104	62%	22%	3%	1%
Portland-Vancouver-Hillsboro, OR-WA	**(58,702)**	**(79,876)**	**23**	**42**	**88**	**96**	**76%**	**34%**	**7%**	**3%**
Providence-Warwick, RI-MA	(40,792)	(33,401)	47	73	98	103	59%	24%	5%	1%
Raleigh, NC	**(21,348)**	**(14,314)**	**31**	**75**	**112**	**110**	**72%**	**21%**	**0%**	**1%**
Richmond, VA	**(33,206)**	**(28,626)**	**30**	**63**	**103**	**105**	**76%**	**29%**	**4%**	**2%**
Riverside-San Bernardino-Ontario, CA	**(101,626)**	**(136,558)**	**20**	**30**	**68**	**86**	**77%**	**49%**	**20%**	**5%**
Rochester, NY	**(28,485)**	**(20,953)**	**33**	**69**	**103**	**107**	**73%**	**21%**	**6%**	**1%**
Sacramento--Roseville--Arden-Arcade, CA	**(72,345)**	**(81,781)**	**19**	**42**	**88**	**99**	**80%**	**34%**	**9%**	**2%**
San Antonio-New Braunfels, TX	**(48,182)**	**(61,385)**	**33**	**47**	**99**	**107**	**68%**	**31%**	**7%**	**1%**
San Diego-Carlsbad, CA	**(82,059)**	**(143,800)**	**20**	**23**	**63**	**83**	**80%**	**53%**	**19%**	**6%**
San Francisco-Oakland-Hayward, CA	**(127,454)**	**(157,806)**	**30**	**45**	**77**	**88**	**70%**	**36%**	**12%**	**3%**
San Jose-Sunnyvale-Santa Clara, CA	**(44,459)**	**(58,583)**	**31**	**40**	**79**	**93**	**70%**	**36%**	**11%**	**2%**
Seattle-Tacoma-Bellevue, WA	**(89,701)**	**(110,303)**	**28**	**49**	**89**	**97**	**72%**	**33%**	**6%**	**1%**
St. Louis, MO-IL	(57,940)	(33,582)	36	79	105	105	70%	18%	3%	3%
Tampa-St. Petersburg-Clearwater, FL	**(65,933)**	**(94,223)**	**22**	**36**	**89**	**102**	**82%**	**46%**	**12%**	**2%**
Tucson, AZ	**(30,990)**	**(30,827)**	**23**	**48**	**99**	**107**	**74%**	**32%**	**8%**	**3%**
Virginia Beach-Norfolk-Newport News, VA-NC	**(35,359)**	**(50,302)**	**33**	**45**	**97**	**107**	**75%**	**44%**	**8%**	**1%**
Washington-Arlington-Alexandria, DC-VA-MD-WV	**(135,931)**	**(159,784)**	**31**	**49**	**98**	**104**	**75%**	**31%**	**5%**	**1%**
USA Totals	**(7,258,849)**	**(7,776,700)**	**35**	**56**	**93**	**101**	**71%**	**32%**	**8%**	**2%**

Source: NLIHC Tabulations of 2016 ACS PUMS data

TO FIND OUT MORE INFORMATION AND STATE-SPECIFIC INFORMATION FOR

THE GAP

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