

People Need Affordable Housing.

- If people cannot afford a place to live, they are at risk of becoming homeless.
- Families with children are losing their housing at unprecedented rates.

A lack of affordable housing and the limited scale of housing assistance programs are the primary causes of homelessness. The growing gap between the number of affordable housing¹ units and the number of people needing them has created a housing crisis for poor people.

- Overall, 14.4 million families have critical housing needs.
- Between 1973 and 1993, 2.2 million low-rent units disappeared from the market. These units were either abandoned, demolished, converted into condominiums or expensive apartments, or became unaffordable because of cost increases (Daskal, 1998).
- At the same time, the number of low-income renters increased, due to factors such as eroding employment opportunities and the declining value and availability of public assistance.
- In 1999, there were only 4.9 million rental units affordable and available to 7.7 extremely low income renter households; a shortage of 2.8 million units (1999 American Housing Survey).
- It would take annual production of more than 250,000 units for more than 20 years to close the housing affordability gap (Millennial Housing Commission 2002).
- In 1997, 3 million low to moderate income working families spent more than 1/2 of their income on housing. By 2001 this number had jumped to 4.8 million — a 67% increase.

More recently, rents have soared, putting housing out of reach for the poorest Americans.

- Between 1995 and 1997, the number of housing units that rent for less than \$300, adjusted for inflation, declined from 6.8 million in 1996 to 5.5 million in 1998, a 19 percent drop of 1.3 million units.
- Between 1991 and 1995, median rental costs paid by low-income renters rose 21% (Daskal, 1998).
- From 2000 to 2002, the national housing wage for a two bedroom home increased by 18%. By comparison, the inflation rate for 2001 was 1.6% (*Out of Reach*, 2002).

Housing assistance can make the difference between stable housing, precarious housing, or no housing at all -- but most poor families and individuals seeking housing assistance are placed on long waiting lists.

- The demand for assisted housing clearly exceeds the supply: only about one-third of poor renter households receive a housing subsidy (Daskal, 1998).
- The Ford Administration requested over 400,000 Section 8 vouchers in 1976. The 2003 budget request is for 34,000.

Families with children are among the fastest growing segments of the homeless population.

- In 2002, families composed 41% of the urban homeless population, an increase of 5% in just two years (U.S. Conference of Mayors, 2002).
- In rural areas, research indicates that families, single mothers, and children make up the largest group of people who are homeless (Vissing, 1996).
- Nationally, children make up approximately 39% of the homeless population (Urban Institute 2000).

Finally, it should be noted that the largest federal housing assistance program is the entitlement to homeowners to deduct mortgage interest from income for tax purposes. As a result, federal housing policies neglect the needs of low-income households while disproportionately benefiting the wealthiest Americans.

- For every \$1 spent on low-income housing programs, the federal treasury loses \$4 to housing-related tax expenditures, 75% of which benefit households in the top fifth income distribution (Dolbear, 1996).
- In 2001, 59% of mortgage interest deduction tax savings went to households with incomes of \$100,000 a year or more. Overall, 82% of the savings went to households with income of \$75,000 or more, while homeowners with incomes of \$20,000 to \$30,000 received 0.5% of tax savings.

Sources:

¹ The Department of Housing and Urban Development (HUD) considers housing to be affordable to a low-income family as long as the cost of housing, including rent or mortgage/tax payments plus basic utilities minus telephone service, does not exceed 30 percent

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