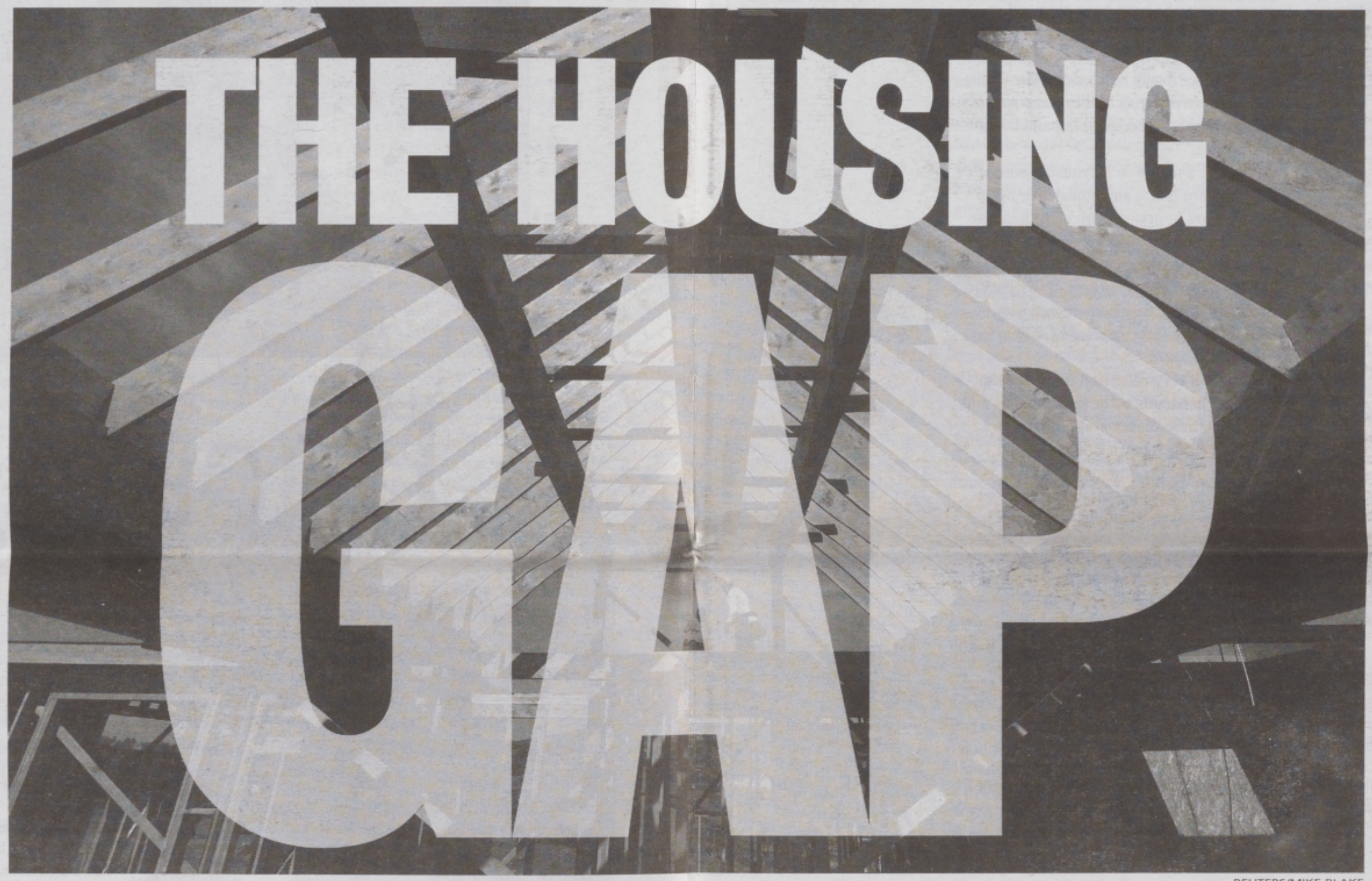
11 MILLION
extremely low-income renter households in the U.S.

4 MILLION
apartments affordable and available for them



REUTERS/MIKE BLAKE

The lead author of an annual national housing report says the lack of political will to fund proven programs is leaving the most vulnerable Americans out in the cold

BY JOANNE ZUHL
EXECUTIVE EDITOR

One in 4 of the nation's 44 million renter households suffers extreme poverty, making 30 percent or less of the area median income. That's more than 11 million people, the population of Oregon and Washington combined.

And they're trying to fit into 4 million apartments.

That's how many affordable and available apartments exist for the lowest-income segment of renters, according to the National Low Income Housing Coalition's latest Gap report. We're more than 7 million apartments short.

"The Gap: A Shortage of American Homes," illustrates the imbalance in our housing market that has many households paying far above the federal standards for affordability, and others being pushed off the grid altogether into homelessness. The NLIHC publishes The Gap report annually.

Andrew Aurand, the vice president of research for the coalition, said the shortage is in part a hangover of the Great Recession from 2007. The recession not only created more low-income renters, but it pushed more people into the rental market overall, creating higher demand and higher rates, while the supply remained basically stagnant.

"Extremely low-income renters have always struggled in the market, and this just squeezed them even further," said Aurand, the lead author of the Gap report.

They are also more likely to be seniors, disabled or have children, compared to all renter households.

Nationally, the coalition says there are 35 affordable and available housing units for every 100 extremely low-income households. In Oregon, that number drops to 25. In the Portland-metro area, for every five very-low-income or extremely low-income renters – people making 50 percent or less of the area median income, or $26,150 for a single person – there are three affordable units.

But even beyond the economic cycle, Aurand said, it just doesn't pay to develop housing for extremely poor renters. That's where subsidies are essential. The Joint Center for Housing Studies reported that between 2005 and 2015, the nation added 6.7 million housing units – and lost 260,000 units at $800 or less.

"What renters can afford to pay in that income group, the market just has a very hard time serving them," Aurand said.

Joanne Zuhl: *Is this a flaw of the private market or is this a flaw of government and other programs to make it work for everybody?*

Andrew Aurand: We don't put adequate resources into housing programs for low-income households, particularly for extremely low-income households that struggle the most to find affordable housing. We know how to solve the problem. We have federal programs, vouchers; we've just started funding the National Housing Trust Fund; we have public housing; we have programs that are very important to the extreme-low-income populations, and those programs have provided adequate stable housing. The dilemma is we just don't put enough resources into those programs to serve all of those households that would qualify.

J.Z.: *It's striking how few people living in poverty are actually accessing the programs they qualify for when it comes to housing.*

A.A.: The widely cited estimate is about 1 in 4 families that would qualify actually receive assistance. We did a survey a couple of years ago, and we surveyed public housing authorities about their voucher program and their voucher waiting list, as well as their public housing waiting list, and we found that slightly more than half of voucher programs had a closed waiting list, meaning people couldn't even apply because they weren't even accepting applications because they had such a substantial wait list for assistance already. So people can't even apply for assistance. So clearly there are inadequate resources that we put into these programs.

And we know that they successfully provide stable housing for these low-income families.

J.Z.: *And for the 3 out of 4 who aren't receiving assistance, they face a host of other complications because they are rent burdened. What's the cost to them?*

A.A.: Low-income families who spend more than half their income on rent, we know that they tend to spend a lot less money on food, less money on health care, and that's not really by choice. They have to pay the rent. They need someplace to live first. And so what they sacrifice on is food and medical care and other things we would consider necessities.

We know that there tends to be more stress and less mental well-being. There's even been a study that shows it affects a family's physical health as well. So you have the health impacts of having the stress of spending so much of your income on rent and wondering how you'll afford rent next month, and at the same time you sacrifice on other necessities. That impacts adults, as well as children. And then if people are in an unstable housing situation, meaning they've lost their home and they have to double up with a family or with friends, we know that can disrupt a child's education; it can disrupt an adult's health care. There's a lot of detrimental impacts due to the lack of affordable housing.

J.Z.: *How much is this a rural problem?*

A.A.: It's a national problem, whether it's urban or rural. We do a report each year called Out of Reach, where we look at what a full-time worker would have to earn per hour to be able to afford modest housing in their county. And we find that in almost every county, the lowest-wage workers cannot afford a modest apartment in their county, and that's whether the county is urban or rural. It's very much both an urban and a rural dilemma.

J.Z.: *You call for funding for the National Housing Trust Fund, which was created a decade ago but only recently received its first allocation of money – a small percentage taken from Fannie Mae and Freddy Mac revenues. Trump has proposed defunding the trust.*

A.A.: The reason why we think that fund is so important is because by law, the money goes into the trust fund and then it is allocated to every state and the District of Columbia, and the states decide how they distribute that money to organizations that are either developing new housing or rehabilitating old housing. But it has to be housing that's affordable to extremely low-income or very-low-income renters. And so it's what we would call a deeply targeted housing program because its funds are meant for the most vulnerable renters. That's why we see that as so important. There are a lot of programs that are very important, but the trust fund, by law, needs to target the poorest renters.

J.Z.: *What is our biggest flaw in our housing programs?*

A.A.: Lack of political will to give them adequate resources. We know that the voucher programs are very important. There are many markets that have the housing but low-income households cannot afford the housing that's there. In that situation, the voucher program is extremely important.

There are other housing markets where the demand for housing is so high relative to the supply that even if you could provide vouchers to everyone who qualified, there's simply not enough housing for them to be able to use their voucher. In those cases, production programs like the National Housing Trust Fund program and the Low Income Housing Tax Credit, that's where they are very important. So both are important, but we choose to spend, as a society, our public funds elsewhere.

J.Z.: *There's been a trend of re-examining*

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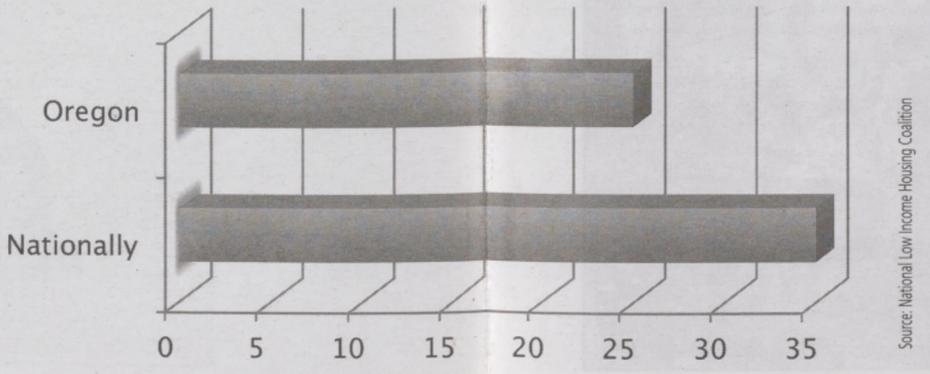
Affordable and available rentals

Affordable and available rental homes per 100 extremely low-income households, 2016



Bridging Oregon's Gap

On the statewide housing front, advocates are celebrating several victories after the Oregon State Legislature's 2018 short session.

■ Raising the document recording fee: This year, lawmakers raised the fee from $20 to $60, which advocates say will raise an additional $60 million every biennium for housing.

■ Constitutional Amendment on housing bonds: Lawmakers put to the ballot an amendment to allow local governments to use taxpayer-backed bonds to support affordable housing. As written, the constitution prohibits governments from becoming stakeholders in any private enterprise, but modern *affordable housing construction relies on a host of financial channels and interested parties.*

■ Study racial disparities in housing: Long overdue, the legislature approved a measure to create a taskforce to study and address the racial disparities in homeownership.

■ Local responsibility to address shortage: The legislature passed a bill that requires cities with the highest numbers of rent-burdened residents (people who spend more than half their income on rent) to hold public meetings and develop plans to address the problem. The initiative includes $1.73 million in funding for local jurisdictions.

■ Subcontractor waivers for rural Oregon: The new policy will waive some licensing fees for qualified, experienced contractors and provide a path of financial support for small business owners provided they contract outside of the Willamette Valley. The ultimate goal is to expand the industry workforce along with the availability of affordable housing and spur small businesses and contractors to hang their shingle in small communities across the state.

– Source Oregon State Legislature, Oregon Housing Alliance