

## HUD Reports that 8.3 Million Very Low Income Households Have Worst Case Housing Needs

HUD published on August 9 its *Worst Case Housing Needs: 2017 Report to Congress*, showing that 8.3 million unassisted very low income households in America spend more than half of their income on their housing, live in severely substandard housing, or both. The number of households experiencing this “worst case housing” has increased by 41% since 2007 and by 66% since 2001. The report attributed the growth in worst case housing needs to the continuing transition of households from homeownership to the rental market, competition for affordable rentals, and housing assistance that has not kept pace with the nation’s need.

Very low income (VLI) households are those with incomes at or below 50% of the area median income (AMI). HUD's report finds that worst case housing needs “cut across all regions of the country and include all racial and ethnic groups, regardless of whether they live in cities, suburbs or rural areas.” The report shows that large numbers of households with worst case needs include families with children, senior citizens, and persons with disabilities.

Nearly 96% of households with worst case needs spent more than half of their income on housing, 1.8% lived in severely substandard housing, and 2.6% both spent more than half of their income and lived in severely substandard housing. Of the 19.2 million VLI households in 2015, 43.2% had worst case housing needs. Nearly 40% of elderly VLI households, 41.5% of families with children, and 46.8% of non-family households had worst case needs.

Worst case needs are even more prevalent among extremely low income (ELI) renter households with incomes at or below the poverty line or 30% of AMI. More than 70% of ELI renter households spend more than half of their incomes on their housing, leaving them with little for food, medicines, and other basic necessities and one setback away from homelessness.

In a press statement accompanying the release of the report, HUD Secretary Dr. Ben Carson stated: “Today’s affordable rental housing crisis requires that we take a more business-like approach on how the public sector can reduce the regulatory barriers so the private markets can produce more housing for more families.” While fewer regulatory barriers to housing production would help in high cost markets where the rental supply is tight, the private market will never provide sufficient housing for the lowest income households. Without housing assistance, what these families can afford to pay in rent is virtually always too low to cover the costs for the private market to serve them.

Despite this worsening affordable housing crisis, just one out of every four households in America today who qualify for federal housing assistance receives it due to inadequate federal funding. And rental assistance has not kept pace with the growth in need. The number of VLI households increased by 734,000 between 2013 and 2015, but the number of households receiving housing assistance increased by only 35,000. In addition, the number of affordable and available rental homes in the private market for VLI households declined by 234,000 between 2013 and 2015.

The HUD budget proposed by the Trump Administration for FY18 would slash housing assistance and increase the number of families with worst case housing needs. NLIHC calls on Congress to increase, not cut, funding for rental housing assistance and for other programs designed to serve the lowest income households like the national Housing Trust Fund.

The National Low Income Housing Coalition United for Homes campaign calls for rebalancing federal housing policy to address the needs of those most in need. With modest reforms to the mortgage interest deduction, a \$70 billion per-year tax expenditure that mostly benefits higher income homeowners, we could help 25 million low and moderate income homeowners and generate \$241 billion in savings over ten years to invest in affordable rental housing solutions for those with the lowest incomes. We can solve the affordable housing crisis in America with no additional cost the federal government. We just need the political will to do so.

HUD’s *Worst Case Housing Needs: 2017 Report to Congress* is available at: <http://bit.ly/2ftHf9t>

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