The Affordable Housing Crisis Before COVID-19

THE PROBLEM:
The U.S. has a shortage of 7 MILLION rental homes affordable and available to extremely low income renter households.

THE SOLUTION:
INCREASE CAPITAL INVESTMENTS & RENTAL ASSISTANCE PROGRAMS

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Incremental change to surplus (deficit) of affordable and available rental homes, 2018 (in millions)

- Extremely Low-Income (ELI)
- >ELI to 50% of AMI
- 51% to 80% of AMI
- 81% to 100% of AMI
- Above Median

Cumulative Deficit/Surplus of Affordable and Available Rental Homes

AMI = Area Median Income.
Source: NLIHC tabulations of 2018 ACS PUMS data.
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SEVERELY HOUSING COST-BURDENED RENTERS BY INCOME, 2018

- Extremely Low-Income: 71.6%
- Very Low-Income: 20.6%
- Low-Income: 6.5%
- Middle-Income: 0.8%
- Above Median Income: 0.5%

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EXTREMELY LOW INCOME RENTER HOUSEHOLDS

37% In Labor Force

18% Disabled

28% Senior

10% Other

4% School

3% Single non-disabled non-elderly caregiver of person with disability or young child

43% 40+ hours / week

34% 20 to 39 hours / week

9% < 20 hours / week

14% Unemployed

Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Senior means household or household’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. Working hours is usual number of hours worked by householder and householder’s spouse (if applicable). School means householder and householder’s spouse (if applicable) are enrolled in school. Fifteen percent of extremely low-income renter households include a single adult caregiver, more than half of whom usually work more than 20 hours per week. Eleven percent of extremely low-income renter households are enrolled in school, 48% of whom usually work more than 20 hours per week. Source: 2018 ACS PUMS.

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IN 2020, THE 2-BEDROOM NATIONAL HOUSING WAGE IS $23.96

A full-time worker must earn at least $23.96 per hour to afford a modest, two-bedroom apartment without spending more than 30% of income on rent. This wage varies from state to state.

MINIMUM-WAGE WORK DOESN’T PAY THE RENT IN MOST AREAS:

- 2020 one-bedroom Housing Wage: $19.56
- 2020 two-bedroom Housing Wage: $23.96

Average Number of Hours at Minimum Wage Needed to Afford One-Bedroom: 79

Average Number of Hours at Minimum Wage Needed to Afford Two-Bedroom: 97

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RACIAL AND ETHNIC COMPOSITION BY HOUSING TYPE

All Households
- White, non-Hispanic: 65%
- Hispanic: 12%
- Black, non-Hispanic: 12%
- Asian: 4%
- Other: 4%
- Interracial Couple: 2%

Renter Households
- White, non-Hispanic: 50%
- Hispanic: 19%
- Black, non-Hispanic: 19%
- Asian: 5%
- Other: 4%
- Interracial Couple: 3%

Extremely Low-Income Renter Households
- White, non-Hispanic: 43%
- Hispanic: 21%
- Black, non-Hispanic: 26%
- Asian: 5%
- Other: 3%
- Interracial Couple: 1%

AMI = Area Median Income.
Source: NLIHC tabulations of 2018 ACS PUMS data.
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COVID-19’s Impact on the Affordable Housing Crisis

COVID-19 has magnified and accelerated the affordable housing crisis

• September 2020: 60 million Americans filed for unemployment insurance

• Over 20 million renters live in households that have suffered coronavirus-related income loss

• Without federal action, 30-40 million people will be at-risk of losing their homes by the end of the year
Households of Color Disproportionately Impacted

Nationally, Black, Hispanic and Native American Cases And Deaths Exceed Their Share Of Population

- **White (non-Hispanic)**: 81.1% population, 51.1% deaths, 44.5% cases
- **Black**: 21.1% deaths, 16.7% cases
- **Hispanic**: 17.8% deaths, 21.1% cases
- **Asian**: 0.4% population, 3.7% deaths, 2.8% cases
- **Native American**: 0.7% population, 0.0% deaths, 1.2% cases

Notes:
Data as of September 20. Shares represent the share of cases and deaths with race or ethnicity identified. Hispanic and Latino case and death counts are from states that classify this as an ethnicity, rather than a race, in line with the designation found in the American Community Survey.

Source: COVID Tracking Project; 2018 American Community Survey five-year estimates from the U.S. Census Bureau
Credit: Daniel Wood/NPR
Households of Color Disproportionately Impacted

Black, Latino, and Native households more likely to face COVID-related financial strain

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<tr>
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<th>Black Households</th>
<th>Latino Households</th>
<th>Native Households</th>
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<tr>
<td>Lost job or reduced</td>
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<td>Serious financial</td>
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CDC’s Eviction Moratorium

• September 1, 2020: CDC issues a national moratorium on evictions for non-payment of rent, effective September 4 – December 31, 2020

• To be protected, renters must meet certain qualifications and provide a signed declaration to the landlords

While essential, the moratorium postpones evictions – it does not prevent them
More assistance is urgently needed

- $100 billion in Emergency Rental Assistance
- $11.5 billion to respond to and prevent outbreaks among people experiencing homelessness
- $13 billion in additional funding for HUD and USDA housing programs, including 100,000 new emergency vouchers for people at risk of or experiencing homelessness
Policy Solutions: Responding to COVID-19

To maximize impact, resources must be targeted to communities most impacted by the coronavirus

housingequityframework.org
Policy Solutions: Affordable Housing Crisis

Additional resources are needed for long-term solutions to the affordable housing crisis

• Bridge the gap between income and housing costs
• Expand and preserve affordable housing stock
• Prevent housing instability with eviction prevention
• Expand fair housing protections
Contact Info

Kim Johnson
Policy Analyst
National Low Income Housing Coalition
kjohnson@nlihc.org