

Housing Affordability in the United States

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Housing Affordability in the United States

Overview: Demographics and Housing Stock

Current Population: 328.2 million people

Housing Stock: 139.5 million housing units

- **78.5 million owner-occupied units**
- **43.9 million rental units**
- **17 million “other” (vacant, seasonal, currently for-sale, for-rent)**



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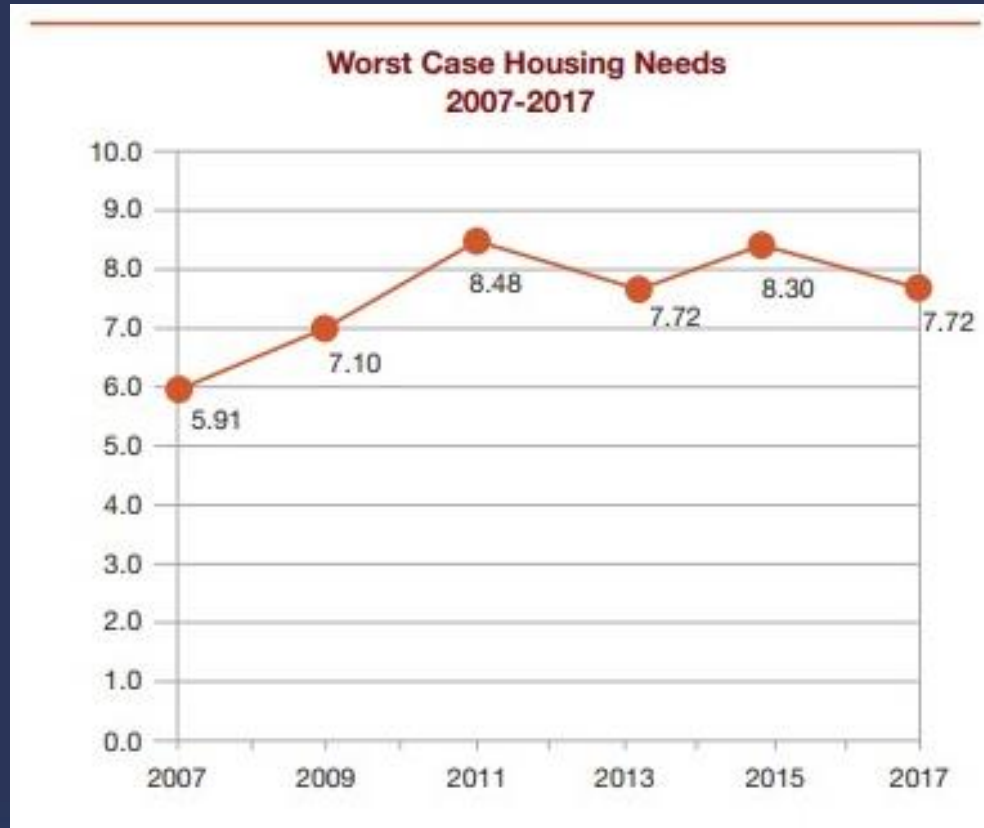
“Worst Case Needs for Affordable Housing”

As of 2017: 7.72 million renter households had “Worst Case Needs” for affordable housing

“Worst Case Needs” (WCN) = Unassisted, very-low income renters who either: 1) pay more than half their income for rent; or 2) live in severely inadequate physical housing conditions

Doesn't included: homeless; or low-income homeowners with similar housing problems

Worst Case Housing Needs (HUD Estimates)



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Homelessness – Two Ways that HUD Measures it:

- **“Point in Time” Count:** 568,000 individuals on a given night, experience homelessness either in a shelter or unsheltered.
- **Over the course of a year,** an estimated 1,416,908 people experienced homelessness at some point. (2017)



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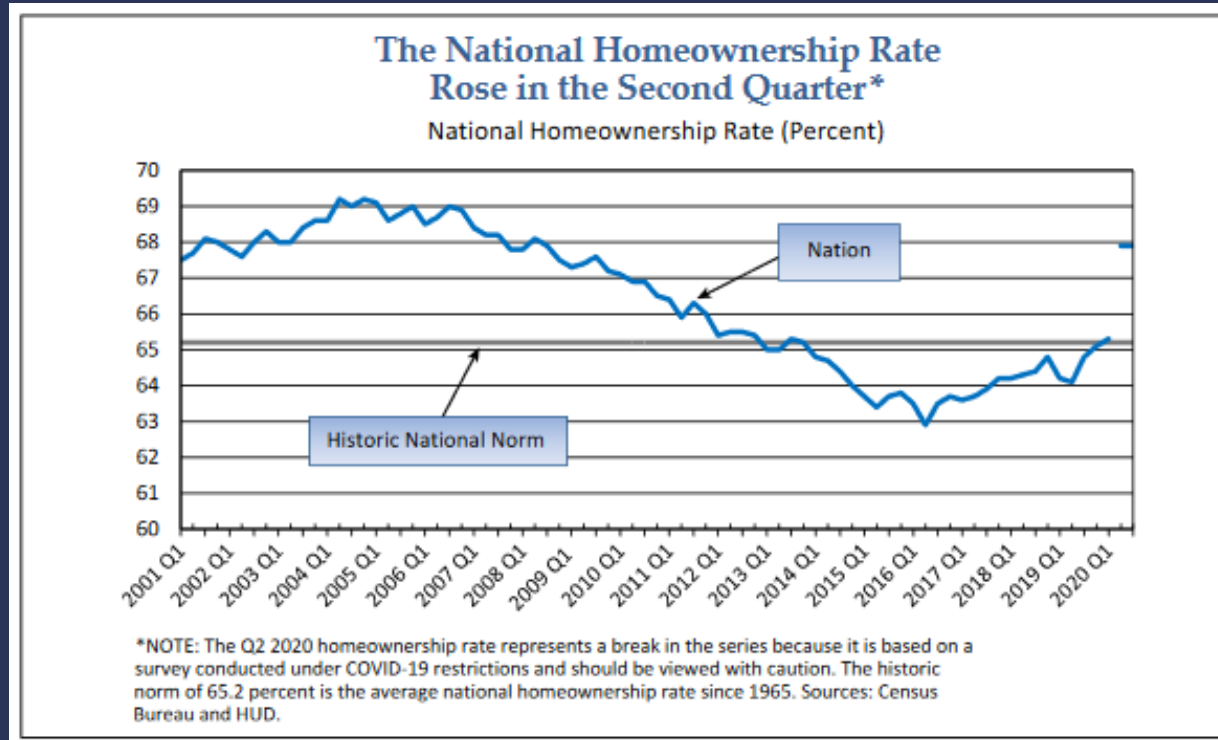
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Homeownership was hit by the 2007-2008 mortgage crisis and recession.

Homeownership rate has increased since 2016. Recovering to its historic baseline, although not to pre-crisis levels.

In addition to WCN among renters, there were an additional 6.6 million very-low income homeowners who also faced severe cost burden or severely inadequate housing conditions.

US Homeownership Rate



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Policy and Program Responses

HUD Budget – direct appropriations of \$50 billion including:

- Rental assistance: \$43 billion – assists over 4.5 million families
- Homeless assistance: \$2.8 billion to assist 750,000 persons/year
- Block grants: \$4.75 billion (Community Development Block Grant & HOME Investment Partnerships program)

Federal Housing Administration (FHA)

- Insures over nearly 1 million mortgages per year
- Holds more than \$1.2 trillion insurance-in-force portfolio
- Complemented by Veterans Administration & Rural Housing Service mortgage programs



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Tax Code Incentives

- **Low-Income Housing Tax Credit – production of project-based affordable rental projects**
- **Homeowners Mortgage Interest Deduction**
- **Opportunity Zones – place-based tax incentives for business, jobs and income**



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COVID Pandemic Response: CARES Act Emergency Funding

HUD Programs: \$12 billion, includes:

- CDBG: \$5 billion
- Homeless (ESG): \$4 billion
- Additional funds for HUD-Assisted tenant rents, and for Native American block grants



Other Policy Solutions

- Regulatory Barriers
- Opportunity Zones



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HUD: Key Website Resources

- HUD Programs: HUD.Gov and HUDEXchange.Info
- PD&R: HUDUSER.Gov
- American Housing Survey: Census.Gov/programs-surveys/AHS.html
- See also, Joint Center on Housing Studies (Harvard) for “State of the Nation’s Housing” reports: <https://www.jchs.harvard.edu/>



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