



Mayors National Housing Forum Fact Sheet

Despite a number of reports, studies, and analysis on the lack of affordable housing in this country today, little has been done to address the problem. Here are the facts.

- ✓ More than 14 million families spend more than half their income on housing. Housing costs are growing faster than incomes.
- ✓ The shortfall in affordable housing for the very poorest now stands at 3.3 million units. These numbers understate the shortage because higher-income households occupy 65% of the units affordable to the poorest families.

Homeownership

- More Americans build their wealth by owning homes than stocks – 66% of households are homeowners compared to 48% who own stocks. Homeowners have far higher net wealth than renters (\$132,130 and \$4,200 respectively). *1998 Survey of Consumer Finances*
- The homeownership gaps between high- and low-income households is stubbornly wide, a difference of 30% (82% to 52%). *The State of the Nation's Housing, 2001*
- Moderate-income and middle-class families struggle as well. Families dependent on a teacher's salary alone cannot afford to buy a median-priced home in more than three-quarters of the nation's 60 largest housing markets. Police officers cannot afford to buy in more than half of the markets. *Paycheck to Paycheck: Working Families and the Cost of Housing in America, The Center for Housing Policy, National Housing Conference, 2001*
- From 1997 to 1999, the number of families nationwide who earn 80% to 120% of the area median income and use more than half of their incomes on housing increased 74%. Those making between 50% and 80% of median income and spending half their salary or more on housing increased by 90%. *Mortgage Bankers Association and National Housing Conference, 2001*

- Racial gaps in homeownership have barely budged. Black and Hispanic ownership rates now stands at around 45% -- considerably below the 73% rate for whites. *The State of the Nation's Housing, 2001*

Rental Housing

- In 2000, rents increased faster than overall inflation for the 4th consecutive year and rental vacancy rates dropped in more than half of the 75 largest metropolitan areas. *The State of the Nation's Housing, 2001*
- More than 6 million families spend more than half of their incomes for rent. *Rental Housing Assistance: The Worsening Crisis, HUD, 2000*
- Almost 2 million low- and moderate-income working families pay more than half of their income on rent or live in severely inadequate housing. *Paycheck to Paycheck: Working Families and the Cost of Housing in America, 2001*
- In no state today does a full-time minimum wage job enable a family to pay fair market rent for a two-bedroom apartment. Congress would have to double the minimum wage for low-income working families, as well as those families leaving the welfare rolls, to afford a two-bedroom rental apartment. *Out of Reach, National Low Income Housing Coalition, 2001*
- Janitors are able to afford rent on a one-bedroom apartment in only six of the 60 largest housing markets in the country. Retail salespersons are able to afford rent in only three. *Out of Reach, 2001*
- In 1999, the number of 25 to 34 year-olds living with their parents remained near historic highs. Fully 1 in 7 males and 1 in 12 females in this age group lived in their parents' homes. With a median income of \$17,000, many of these young adults could not afford to pay rent and cover basic living expenses. *The State of the Nation's Housing, 2001*

Public Housing

- More than 1.3 million families call public housing home. More than one-third of these them are seniors over the age of 62. The rest are disabled and single mothers with children. Another 3.3 million live in private, subsidized apartment or receive vouchers to rent apartments. *U.S. Department of Housing and Urban Development*
- With the stock of public housing and subsidized apartments falling far short of the need, the waiting lists for public housing have grown to about 1 million households. In some large cities, families must wait 10 years or more for an available unit. *U.S. Department of Housing and Urban Development*

- While the need grows dramatically, the gap between supply and demand widens. No significant new public housing has been built in the past 25 years. *Gilmore Kean, LLC and Loeb Fellowship Program, Graduate School of Design, Harvard University*
- A decade ago, the federal government opened buildings constructed to house poor elderly to younger persons with disabilities and, as a result, addressed the housing needs of neither. Public housing buildings are deteriorating rapidly, yet seniors are living longer and maintaining independent lives longer than ever. *Gilmore Kean, LLC and Loeb Fellowship Program, Graduate School of Design, Harvard University*

Special Needs

Elderly and Disabled Housing

- 1.4 million elderly and 2 million people with disabilities pay more than 50% of their incomes for housing or live in substandard housing.
- Section 202 elderly funding has been flat at \$679 million for several years, despite rapid growth in the elderly population.
- Section 811 funding for the disabled has declined by nearly \$100 million in the past decade, from \$387 million to \$271 million.
- In the past five years, about 100,000 units of Section 8 housing for the elderly have been converted to more expensive market rate housing.

Homeless Housing

- At least 3.5 million people are likely to experience homelessness during a year. About 80% face a housing crisis solely because they cannot find affordable housing; more than half of this group is women and children, with the mom working. About 20% are “chronic homeless,” where homelessness endures and is accompanied by other problems – substance abuse, mental illness, or other disabilities.
- In 2001, hunger and homelessness rose sharply in major American cities. Requests for emergency food assistance climbed an average of 23% and requests for emergency shelter assistance increased an average of 13% in 27 cities surveyed by the U.S. Conference of Mayors.

Preservation Of Affordable Housing

- More than 1 million federally-subsidized housing units are at risk due to expiration of federal subsidies and use restrictions; aging deterioration; need for debt restructuring; and local real estate market conditions.

- Millions of private, unsubsidized properties that provide affordable rents also are at risk. Almost 1 million of unsubsidized affordable housing have been lost over the past decade due to disrepair, abandonment, or the gentrification of neighborhoods.
- Between 1997 and 1999, more than 200,000 unsubsidized rental units affordable to extremely low-income families were lost from the stock.
- Multi-family rental stock has been hardest hit. Almost 1.4 million units in multi-family buildings with two to four apartments were either converted or demolished during the 1990s. New construction from 1985 to 1999 added only 400,000 apartments in these small buildings, resulting in a net loss of nearly 1 million units.
The State of the Nation's Housing, 2001