National Landscape of Affordable Housing

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President/CEO, National Housing Conference
National Housing Conference

- Bring broad section of affordable housing community together to find common ground.

- Resource, educator, thought leader and convener on:
  1. Policy
  2. Communications
  3. Research

- At both the Federal/National and Regional/State/Local level of focus
What Will Drive Housing Demand?

Key demographic and economic trends will shape demand
Boomers
Growth in 65+ population

Projections of Population Change by Age for the U.S.: 2010 to 2050

- Under 18:
  - 2010: 75.2 mil
  - 2050: 101.6 mil
  - Growth: +35.1%

- 18 to 44 Years:
  - 2010: 113.8 mil
  - 2050: 150.4 mil
  - Growth: +32.2%

- 45 to 64 Years:
  - 2010: 81.0 mil
  - 2050: 98.5 mil
  - Growth: +21.6%

- 65+ Years:
  - 2010: 40.2 mil
  - 2050: 88.5 mil
  - Growth: +120.1%

Source: Housing an Aging Population: Are We Prepared?
Gen Y’ers
Trends among 25-34 year olds

- Living with spouse: 44%
- Living with an unmarried partner: 14%
- Living with parent(s): 13%
- Other living arrangements: 19%
- Living alone: 10%

Affordability

 Millions of cost burdened households

Percentage of Working Households with a Severe Housing Cost Burden

- Working Renters
  - 2009: 24.5%
  - 2010: 25.6%
  - 2011: 26.4%
  - 2012: 25.4%

- Working Owners
  - 2009: 21.2%
  - 2010: 21.6%
  - 2011: 20.9%
  - 2012: 18.6%

Source: Housing Landscape 2014
In 21 States, at Least 1 in 5 Working Households is Severely Cost Burdened

*Shading is based on numbers rounded to one decimal place. See Appendix A for more details.*
Rents Have Risen Steadily Since the End of the Recession

TABLE 1. Rents Rose Steadily Every Year Since the End of the Recession
Median Monthly Housing Costs for Working Households

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>One-Year Change</th>
<th>Two-Year Change</th>
<th>Three-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renters</td>
<td>$820</td>
<td>$830</td>
<td>$847</td>
<td>$852</td>
<td>+0.6%</td>
<td>+2.7%</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Owners</td>
<td>$1,047</td>
<td>$1,037</td>
<td>$1,024</td>
<td>$994</td>
<td>-2.9%</td>
<td>-4.1%</td>
<td>-5.1%</td>
</tr>
</tbody>
</table>
Affordability

Costs rising faster than incomes

Change in Incomes and Housing + Transportation Costs
Median-Income Household in Largest 25 Metro Areas: 2000-2010

- Housing Costs: +52%
- Transportation Costs: +33%
- Combined H+T Costs: +44%
- Household Income: +25%

Source: Losing Ground
The Vast Majority of Extremely Low-Income Households Have Severe Housing Cost Burdens

Percentage of Working Households with a Severe Housing Cost Burden by Income

- **Extremely Low-Income**: 79.4%
- **Very Low-Income**: 37.8%
- **Low-Income**: 12.6%
- **Moderate-Income**: 4.1%

**Income Levels**
- Extremely Low-Income: 30% of AMI or less
- Very Low-Income: 31–50% of AMI
- Low-Income: 51–80% of AMI
- Moderate-Income: 81–120% of AMI
In 21 States, at Least 1 in 5 Working Households is Severely Cost Burdened

FIGURE 5. In 21 States, at Least One in Five Working Households is Severely Cost Burdened
Share of Working Households with a Severe Housing Cost Burden, 2012

*Shading is based on numbers rounded to one decimal place. See Appendix A for more details.
Policy Implications

• Many low-income working households face significant housing cost burdens.
  ➢ Federal housing assistance reaches only one in four of those in need.

• While affordability for owners has improved, access to homeownership has become more difficult.
  ➢ Barriers to homeownership become barriers to wealth creation.
Policy Implications (cont.)

• When households spend more than half of income on housing, there is not enough left for other necessities.
  ➢ Reduced spending on other goods and services also can dampen economic growth.

• Affordable and stable housing is a platform for other important positive family and community outcomes.
  ➢ Better physical and mental health
  ➢ Improved educational achievement
  ➢ Robust economic development
Implications of Insufficient Housing Near Jobs

What can we expect if there is an insufficient amount of housing that is affordable to workers along the income spectrum?

• Workers can’t live near jobs → traffic congestion increases?
• Businesses have a hard time attracting workers → firms move elsewhere?
• Difficult to hire workers for resident-serving sectors → higher prices for everyone?
Housing and Economic Growth

• What is the role for business in regional housing planning processes? What are the challenges?
• Are there models from around the country of private sector involvement in affordable housing policy?
• How does affordable housing contribute to local economies?
• What is the future for economic growth without sufficient housing?
Inclusionary Housing
Local affordable housing policies proliferating

Location of Inclusionary Housing Programs in the U.S.

Source: Designing Inclusionary Housing for Lasting Affordability
Housing & Services

Meeting the continuum of needs

What are Supportive Services?
- Medical services
- Case management
- Mental health services
- Social activities
- Medication management
- Personal care assistance
- Home chore assistance

Five Behavioral and Cognitive Science Principles for Supporting Residents’ Economic Progress

1. Participants Lead Their Processes.
2. Frequent Feedback Confirms Progress.
3. Participants Can Re-Start if Needed.
5. Heightened Stress Can Thwart Success.

Source: Aging in Every Place; Strengthening Economic Self-Sufficiency Programs
Partnerships

Critical to meeting housing challenges ahead

Information
Data
Analysis
Policy development
Best practices

Housing and community development organizations
State and local housing advocates
Local, state and federal government agencies
Non-profit & for-profit housing developers

Financial institutions
National Housing Picture

- Weak and uneven
- Foreclosures reduced but underwater owners are up again.
- Only a few markets nationally where pricing is strong
- Supply in those will be key
- Affordable Multifamily is critical nationally
  - >30%AMI & Millennials
National Housing Policy Issues

- Housing Finance Reform – Fannie & Freddie
  - Corker/Warner – what is next?
    - Gov’t Guarantee
    - Spin off Multifamily
    - Funding for NHTF, Market Access and Capital Magnet Funds

- Both GSE’s are very vulnerable – no retained earnings
- Tone of next election will have an impact
National Housing Policy Issues

- Tax Reform – Needed for any budget stability as well as priority program growth – not likely until after 2016 election.

- Budget Issues – current situation will continue cuts, next year’s budget has no deal in place, could face another sequestration/shut down scenario.
National Housing Policy Issues

• New incoming HUD Secretary – will he raise profile of housing?
  • RAD is direction for Public Housing

• Budget Issues – current situation will continue cuts, next year’s budget has no deal in place, could face another sequestration/shut down scenario
Final Thoughts…

• Affordable Housing as a “movement” and a “community” not an industry.
• What are strategies to deconcentrate poverty and prevent displacement?
• Housing as a platform for services and opportunity – think in terms of community
• Intersection with other issues are what defines our work: impact on health, education, transportation, economic opportunity
• Values-based messaging is important for success.
Final Thoughts...

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• Intersection with other issues are what defines our work: impact on health, education, transportation, economic opportunity
Contact Information

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