To:	**President-elect Biden's Transition Team**
From:	**Mike Koprowski, National Director, *Opportunity Starts at Home* Campaign**
Date:	**November 12, 2020**
Re:	**Solving the Nation's Rental Housing Affordability Crisis**

The *Opportunity Starts at Home* (OSAH) campaign looks forward to working with President-elect Biden and his administration to address one of the most critical issues facing people today: the lack of decent, stable, affordable rental housing. Rental housing affordability has worsened dramatically over the past 15 years, and more households than ever are struggling to pay the rent and make ends meet. Research consistently shows that a lack of decent, stable, affordable housing causes and exacerbates negative outcomes in education, healthcare, food security, economic mobility, homelessness, civil rights, criminal justice, child welfare, climate, and more. With your leadership, we can help end the rental housing crisis by bringing proven solutions to scale.

Through the unprecedented OSAH campaign, leading national organizations from many sectors have come together to advocate for more robust and equitable federal housing policies. Our vision is that the nation's historically marginalized households and those with the lowest incomes live in safe, accessible, affordable homes in neighborhoods that are free from discrimination and where everyone has equitable opportunities to thrive. The OSAH campaign, which is chaired by the National Low Income Housing Coalition, is advised by a Steering Committee including:

Catholic Charities USA
Center on Budget and Policy Priorities
Children's Defense Fund
Children's HealthWatch
Community Catalyst
Food Research & Action Center
JustLeadershipUSA
NAACP
National Alliance on Mental Illness
National Alliance to End Homelessness
National Association of Community Health Centers
National Association of Social Workers
National Education Association
National League of Cities
National LGBTQ Task Force
National Women's Law Center
Natural Resources Defense Council
UnidosUS

Additionally, representatives from over 80 multi-sector national organizations participate on the campaign's Roundtable.

Throughout the presidential campaign, President-elect Biden focused on the importance of affordable housing and articulated a robust housing plan which aligns with many of the recommendations contained in this memo. **The OSAH campaign urges the Biden administration to address the affordable housing challenges for people with the greatest needs within its first 100 days in office**. As the incoming administration seeks to fulfill its campaign pledge of "building back better," housing affordability should be considered a top-tier urgent priority.

To address the most urgent housing needs during the COVID-19 pandemic, the Biden administration must work with Congress to immediately pass a coronavirus relief bill that includes:

- $100 billion in emergency rental assistance
- National, uniform eviction moratorium
- At least $11.5 billion in homeless assistance funding
- $26 billion for 500,000 new Housing Choice Vouchers

To promote housing stability over the long run, the Biden administration must work with Congress to:

- Dramatically expand rental assistance so that every qualified household receives help
- Dramatically expand the supply of housing affordable to the lowest income people
- Create a permanent Emergency Assistance Fund that would offer short-term financial assistance and stability services to help households facing economic shocks

I: Urgent COVID-Related Housing Priorities

To address the most urgent housing and homelessness needs during and in the immediate wake of the pandemic, the Biden administration must work with Congress to immediately pass a coronavirus relief bill that includes essential housing resources and protections. Far more resources and new protections are needed to meet the urgent needs of people who are currently experiencing homelessness and the millions of people who are now on the brink due to COVID-related economic shocks. **The following urgent priorities should be included in any relief bill**:

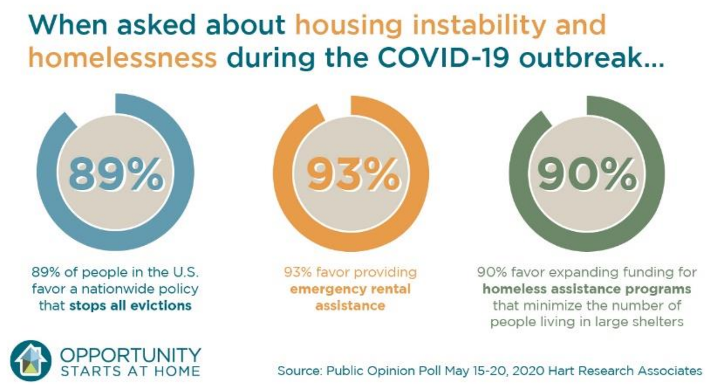
- **$100 Billion for Emergency Rental Assistance:** According to the latest research, 30-40 million renters could be evicted by the end of the year. Emergency rental assistance enables people who have lost jobs to shelter in place and avoid housing instability. During a pandemic, evictions and other types of housing instability worsen public health risks as well as increase hardship for individual families. To avert an unmitigated surge in evictions and avert the related health risks, Congress should provide a substantial amount of emergency rental assistance in any forthcoming package. Emergency rental assistance is also necessary so that landlords continue to receive rental income, which, in turn, enables them to operate their properties and ensures the continued viability of our country's essential affordable housing infrastructure. A recent estimate from the National Low Income Housing Coalition shows that $100 billion is required to keep the lowest-income households stably housed over the next year during and in the immediate wake of the COVID-19 pandemic. In response to COVID-19 and its economic fallout, many cities and states have created or expanded their own rental assistance programs, but clearly more robust federal assistance is required. As of October 2, 2020, the National Low Income Housing Coalition has tracked 392 local and state emergency rental assistance programs, but due to high demand and inadequate resources, approximately one in three (33%) programs have already closed, 29 of which closed in a week or less.

- **At least $11.5 billion for Homeless Assistance:** Congress provided $4 billion in Emergency Solutions Grants (ESG) in the CARES Act, but additional funds are needed to respond to coronavirus among people experiencing homelessness. Initial reports indicate that people who are experiencing homelessness and contract COVID-19 are much more likely to be hospitalized and require critical care and are much more likely to die than the general public. At least $11.5 billion in Emergency Solutions Grant (ESG) funds are needed to help service providers and crisis managers on the front lines: 1) minimize the number of people living in homeless encampments and congregate shelters; 2) create alternative space, such as hotels, for isolation and self-quarantine; and 3) provide short-term rental assistance and housing stabilization services. ESG funds should also be used to provide medical respite care, outreach, and street medicine for people experiencing homelessness.

- **Uniform Moratorium on Evictions:** On September 4, the Centers for Disease Control and U.S. Department of Health and Human Services issued an order to temporarily halt evictions nationwide. Citing the increased risk of spreading coronavirus when people are evicted or experience homelessness, the Trump Administration declared that an eviction moratorium would help ensure public health. The CDC's national eviction moratorium is providing essential protection to millions of renters, but it expires on December 31, 2020 and there are ongoing legal challenges over the CDC's authority to issue such an order. Since the onset of the pandemic, several states and localities instituted varying eviction and foreclosure moratoriums, many of which have now expired. This patchwork of responses provides relief to only some and creates confusion for all. Congress should implement a uniform, nationwide policy that clearly assures all people that they will not lose their homes during a pandemic where our collective health depends on each of us staying home to minimize community spread. But, while an eviction moratorium during the pandemic is necessary, it is not sufficient in itself. A moratorium still allows rent arrears to accumulate and many people who have lost income because of the pandemic will struggle to cover large sums of back-rent once it comes due. This is why a moratorium must be paired with emergency rental assistance.

- **$26 billion for 500,000 new Housing Choice Vouchers:** These vouchers would provide long-term stability to extremely low-income households that are homeless, have histories of housing instability and are struggling to pay rent, or are fleeing domestic violence. During an extended health and economic crisis, the long-term stability that vouchers provide is a major benefit to those facing the greatest risk of losing their homes or becoming homeless. Housing vouchers also play a critical role in helping people who were recently homeless to move from shelters or temporary housing into stable homes for the long term, and avoid returning to homelessness. Funding a substantial number of new vouchers in relief legislation would be a critical first step towards meeting the Biden administration's goal of making housing vouchers available to all eligible households.

Recent public opinion polling reveals that Americans are deeply concerned about housing instability as a result of the coronavirus outbreak and expect major action from Congress to prevent evictions and homelessness. In fact, 93% of the American people favor "providing emergency rental assistance for people who are struggling to afford the rent and are at serious risk of eviction as a result of the coronavirus outbreak, including 99% of Democrats, 90% of Independents, 87% of Republicans, and 84% of conservative Republicans. Ninety percent favor "expanding funding for homeless assistance programs that minimize the number of people living in large shelters by providing them with alternative individual spaces for isolation and self-quarantine, including 97% of Democrats, 93% of Independents, 80% of Republicans, and 77% of conservative Republicans. And 89% favor "enacting a uniform, nationwide policy that stops all evictions during the coronavirus outbreak, including 95% of Democrats, 89% of Independents, 82% of Republicans, and 78% of conservative Republicans.



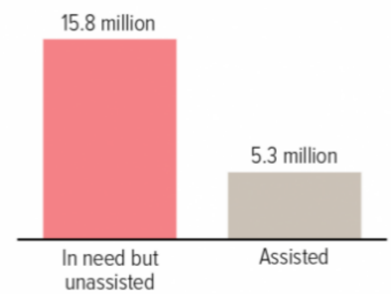
Moreover, 8 in 10 people think it's very or fairly important for government to provide assistance to help people cover their housing costs during the coronavirus outbreak, including 92% of Democrats, 81% of Independents, 67% of Republicans, and 63% of conservative Republicans. Nearly 8 in 10 (78%) agree that our elected leaders are not putting enough attention on people's need for help to pay for their housing during the coronavirus outbreak. Eighty-eight percent of people agree that providing housing assistance to prevent evictions and homelessness during the coronavirus outbreak should be considered as urgent a priority as investments in healthcare and 87% agree that our elected leaders in Washington should take major action to make sure everyone has stable, affordable housing during the coronavirus outbreak. By a 2:1 margin (67% to 33%), people want to see government make major housing investments even if it means increasing the deficit, including 79% of Democrats, 76% of Independents, and 49% of Republicans.

II: Long-Term Solutions: Demand-Side, Supply-Side, and Prevention

People with the lowest incomes needed housing assistance prior to the coronavirus outbreak and their needs will persist after. The current pandemic makes clear that housing and health are inextricably linked, and it should serve as a clarion call for Congress to invest now in solutions that promote housing stability over the long run. Failures of both the private market and public policy — at the federal, state, and local levels — have contributed to today's historic housing crisis. And many people and institutions, both private and public, must take part in addressing it. Among these institutions, the federal government has an indispensable role to play. The OSAH campaign has outlined a set of federal policies that we believe are necessary to ensure the nation's historically marginalized households and those with the lowest incomes live in safe, accessible, affordable homes in neighborhoods that are free from discrimination and where everyone has equitable opportunities to thrive. Federal action is necessary not only to expand resources, but also to set overarching policy priorities and incentivize and support coordinated efforts at the state and local levels. While state and localities also have important roles to play, they cannot solve this problem on their own.

Federal housing assistance currently provides much-needed support for millions, but it is chronically underfunded and poorly matched to need. Roughly 10.4 million people in 5.2 million households use federal rental assistance to afford modest housing, and over two-thirds are seniors, children, or people with disabilities. According to the Center on Budget and Policy Priorities, "rental assistance not only enables families to meet their housing needs but also, by lowering their rental costs, leaves them with more resources to meet other basic needs. When this effect is taken into account, rental assistance lifted 3 million people above the poverty line in 2018 under the federal government's Supplemental Poverty Measure." Problematically, funding for affordable housing has been declining for decades. In fact, the federal budget authority for housing assistance programs in the 1970s (adjusted for inflation) was nearly three times more than it is today, despite much greater numbers of eligible low-income renters. Today, only 1 in 4 households eligible for federal housing assistance will receive it due to chronic underfunding. Moreover, federal housing expenditures are poorly matched to need and overwhelmingly benefit homeowners, not renters in need.

16 Million Households Needing Federal Rental Assistance Do Not Receive It Due to Funding Limits



Note: In need = households earning 80 percent or less of the local median household income and paying more than 30 percent of monthly income for housing and/or living in overcrowded or substandard housing.

Source: Department of Housing and Urban Development (HUD) custom tabulations of 2017 American Housing Survey and CBPP tabulations of HUD and Agriculture Department data.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Three major policy strategies are needed to tackle the rental housing crisis: 1) bridging the gap between rents and income through rental assistance; 2) expanding the stock of housing affordable to the lowest income households; and 3) stabilizing households by providing emergency assistance to avert housing instability and homelessness.

Demand-Side: Taking Rental Assistance to Scale

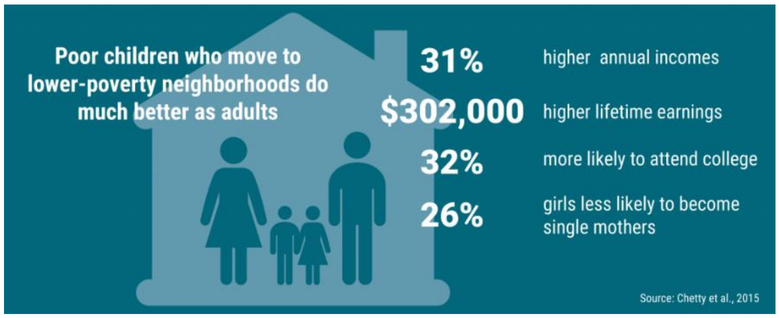
Rental assistance is a critical tool for helping vulnerable people afford stable homes and avoid homelessness. As discussed earlier, the cost of a modest rental unit is far above the wages of many working families or the fixed incomes of many seniors and people with physical or mental health conditions that limit their ability to work. Even in properties that have been built with the help of robust construction subsidies, such as the Low Income Housing Tax Credit, the rents (or operating costs) are typically unaffordable for individuals and families with extremely low incomes. A substantial expansion of rental assistance for the most vulnerable households is thus a key element of any successful strategy to solve the affordable housing crisis.

The most well-known type of rental subsidy is the Housing Choice Voucher (HCV) program, which helps people with the lowest incomes afford housing in the private market by paying landlords the difference between what a household can afford to pay for rent and the rent itself, up to a reasonable amount. Housing vouchers are also flexible — for instance, families may use them to rent homes that best meet their needs, including homes in areas with quality schools and greater access to jobs. Housing vouchers may also be tied to a specific housing development in a way that facilitates the development's financing and makes it easier for owners to provide health and other services that some vulnerable people need.

A substantial expansion of HCVs is needed to ensure that every household that qualifies for a voucher receives a voucher. Poll results from May 2020 show that the American people strongly agree with taking rental assistance to scale. In fact, 87% of all people favor "expanding funding for rental assistance to ensure that the approximately 17 million households who currently qualify for rental assistance but are not receiving it, get it." This included 96% of Democrats, 85% of Independents, 78% of Republicans, and 73% of conservative Republicans.

HCVs, as currently structured, are a proven, evidence-based model for ensuring housing stability, reducing childhood poverty, and eliminating homelessness. **But, at the same time that we recommend taking the**

HCV program to full scale, we also recommend programmatic improvements to the existing model which would further improve effectiveness and help correct long-standing racial disparities. Most notably, as it stands today, few voucher holders live in low-poverty neighborhoods even though there are available units to them, and most families of color using vouchers live in "minority-concentrated" neighborhoods even though most voucher-affordable units are located elsewhere. Some voucher holders want to stay in their current neighborhoods to be close to family, child care, or current job, but others would like to use the voucher to move elsewhere. For those interested in moving, significant barriers stand in the way. For example, in many parts of the country, landlords routinely refuse to accept voucher holders, particularly in affluent white neighborhoods, and are often permitted by the law to do so. In Dallas, only 4% of apartment complexes in majority white zip codes accept vouchers, while 46% of complexes in majority Black zip codes accept vouchers – notably, nearly 9 in 10 Dallas voucher holders are Black.



The HCV program can be improved to ensure that households are empowered to use their voucher in a neighborhood of their choosing. Specifically, the campaign recommends the creation of an additional 500,000 vouchers specifically designed for low-income families with young children to expand their access to neighborhoods of opportunity with high-performing schools, strong job prospects, and other resources. Given the research demonstrating that access to high-opportunity neighborhoods can dramatically improve the life trajectories of young children, it makes sense to prioritize these new vouchers for low-income pregnant women and families with children under age 6 who either have a recent history of homelessness or housing instability, or live in an area of concentrated poverty (or are at risk of being displaced from an opportunity area). These new "mobility vouchers" should be paired with counseling and support services that have a proven track record of supporting parents and helping families move out of neighborhoods of concentrated poverty. Such a program would also enable housing agencies to identify and engage new landlords willing to participate in the HCV program. This concept has received strong bipartisan support in Congress and public opinion polling shows that this policy solution is overwhelmingly favored across the political spectrum.

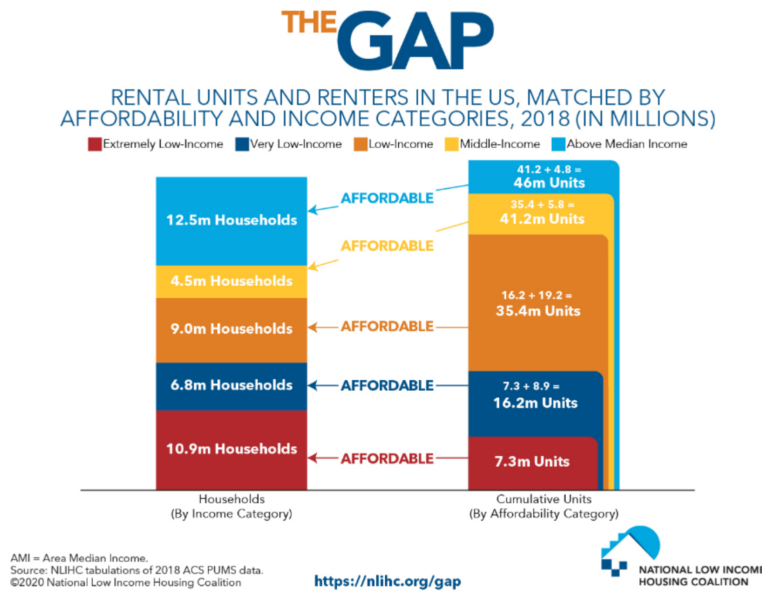
Finally, it should be noted that, while vouchers are the most common form of rental assistance, other promising policy innovations exist that could be used to similar effect. **One idea is to create a new federal renter's tax credit which would reduce rents in housing developments designated by states to levels the lowest income families can afford.** A federal renter's tax credit would enable families to stay stably housed and keep more of their income for other essentials like food, medicine, education, and transportation. Polling shows that 85% of people favor "giving renters a tax break, similar to the federal tax break homeowners currently receive when they deduct the interest they pay on their mortgage." This includes 94% of Democrats, 85% of Independents, 76% of Republicans, 71% of conservative Republicans.

Supply-Side: Producing Deeply Affordable Rental Homes

In markets where vacancies in existing buildings are scarce, "supply-side" approaches are also essential to produce more affordable homes. **These investments should be targeted at where the supply shortage is most severe – at the lowest end of the income spectrum**. Renters with extremely low-incomes account for most of the shortage of affordable and available rental homes in the nation, and renters with extremely low-incomes are the only income group facing an absolute shortage of affordable homes. By contrast, there is a cumulative surplus of affordable homes for households with higher incomes.

Public opinion polling shows strong bipartisan support for investing in affordable housing production programs. In fact, 88% of the American people favor "expanding investments in housing development programs that will build more housing units that are affordable for low-income people," including 97% of Democrats, 87% of Independents, 78% of Republicans, and 73% of conservative Republicans.

Increasing the overall supply of units affordable for the lowest income renters not only helps those most in need, but it also alleviates rent pressure for those with higher incomes. Millions of low-income renters currently occupy units that they cannot afford, but those units could be affordable to those with higher incomes. A greater supply of rental housing would allow these low-income renters to move from unaffordable units to affordable units, thereby freeing up their original units for higher income renters who could better afford them.



National Housing Trust Fund

The national Housing Trust Fund (HTF) is the first new housing resource in a generation and it is exclusively targeted to help build, preserve, and rehabilitate housing for people with the lowest incomes. The HTF statute requires that at least 90% of the funds be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10% may be used for homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment, closing cost, and interest rate buy-down assistance. The HTF is administered by HUD as a block grant to the states, the District of Columbia, and the territories. Each state distributes resources based on its annual Allocation Plan, which identifies the state's priority housing needs. The statute also provides that the HTF can be funded by other sources of revenue, such as any appropriations, transfers, or credits that Congress may designate in the future. However, the HTF should be funded with dedicated revenues generated outside of the appropriations process so that it does not compete with existing HUD programs.

Currently, the HTF is funded with dedicated sources of revenue outside of the appropriations process. The source of funding designated in the HTF statute is an annual assessment of 4.2 basis points (0.042%) of the volume of business of Freddie Mac and Fannie Mae, 65% of which goes to the HTF. In 2020, $322,564,268 million in HTF dollars were allocated to states, but **far more resources are necessary to meet the need**. An estimated $45 billion in annual funding for the HTF can address the market failure which has resulted in the severe shortage of rental homes affordable to people with the lowest incomes, including people experiencing homelessness. An analysis from Moody's Analytics estimates that investments of $45 billion in the HTF to build, preserve, and operate rental housing for extremely low income people would create more than 231,000 rental homes targeted to people with the greatest needs and generate 928,000 jobs in the process.

The HTF statute requires states to select a state agency (such as a housing finance agency or a housing department) to receive and administer HTF resources. Each state must prepare an annual Allocation Plan showing how it will distribute HTF resources and select potential recipients. Historically, other federal housing production programs have too often located units in high-poverty and minority communities, further exacerbating racial and economic segregation. This pattern cannot continue with new production programs like the HTF. As the HTF expands, we must ensure that newly built HTF units are located in ways that foster economically and racially inclusive communities. Each state's HTF Allocation Plan must prioritize its statutory obligation to "affirmatively further fair housing" (AFFH) and make certain that the lowest income people have fair and affordable housing options in integrated neighborhoods.

Low Income Housing Tax Credit

While super-charging the HTF, the Biden administration should also work to ensure that other existing tools that produce affordable housing are equitably assisting renters with the lowest incomes. Most prominently, the Low Income Housing Tax Credit (LIHTC), created in 1986, is the largest source of new affordable housing in the nation and has provided much needed assistance to millions. However, LIHTC often serves households making an average of 60% of Area Median Income (AMI) and has historically struggled to meet the needs of extremely low income households who make 30% of AMI and below. LIHTC also falls short of meeting its potential to provide affordable units located in low-poverty, diverse neighborhoods. New incentives and/or resources are needed for a significant share of LIHTC units to be 1) affordable to those with the lowest incomes and 2) strategically sited to foster economically and racially inclusive communities. According to polling in May 2020, 87% of people favor “ensuring that many newly constructed housing units are affordable for households with the lowest incomes and are located in neighborhoods that are safe, have good schools, and job prospects.” This includes 96% of Democrats, 89% of Independents, 78% of Republicans, and 73% of conservative Republicans.

Public Housing

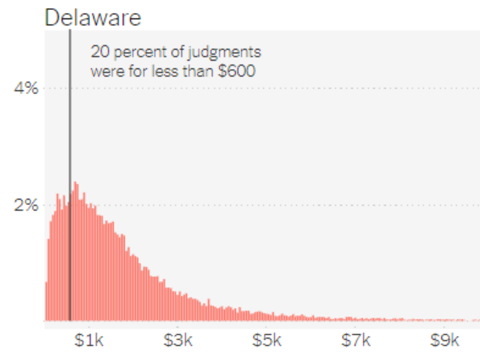
In addition to increasing the overall supply of deeply affordable housing, we must also preserve the existing affordable housing stock, especially the roughly one million public housing units that are currently home to 2.6 million residents. More than half of all households living in public housing are headed by a disabled and/or elderly resident, and nearly half have at least one child residing in the home. Nearly three quarters of households are considered very low- or extremely low-income, making less than 50% of the area median income, and the average annual tenant income is about $13,400. Congress has underfunded public housing for decades, resulting in a backlog of capital repair needs of as much as $70 billion. Thousands of public housing units are lost each year to disrepair. Communities can quickly deploy these funds to make critical infrastructure repairs, such as fixing leaky roofs, replacing outdated heating systems, and remediating mold to improve the health and living conditions for millions of residents.

Prevention: Creating a Permanent Emergency Assistance Fund

While some households need longer-term supports to keep stably housed (e.g., receiving a voucher or accessing a HTF unit), other households could be stabilized through short-term supports. Long before the pandemic, most renters in poverty spent at least half of their incomes on housing, leaving virtually no margin for an unexpected expense. Broken-down cars, unreimbursed medical bills, or temporary income losses quickly sent vulnerable households down the spiral of housing instability, eviction, and homelessness. The need for emergency housing aid far exceeded its availability, and federal, state, and local funds that were available for crisis assistance and services were mostly used for other priorities. As Nan Roman, President and CEO of the National Alliance to End Homelessness, explained: “Every day, people become homeless who not long ago had a stable home, but whose lives and housing were disrupted by an economic crisis that a **small amount of money could have fixed**.”

Based on pre-pandemic research, tenants facing eviction often owed relatively small amounts of rent – in many cases, around one month of rent or less. In fact, across 22 states where there was available data, the median money judgment issued by a court for an eviction was $1,253 between 2014 and 2016. Money judgments include unpaid rent plus court fees, late fees, and other costs incurred during the legal proceedings, which means that tenants faced eviction for originally failing to pay an even lesser amount. In these states, a third of money judgments were for less than the local median rent. In North Carolina, 32% of money judgments were for less than $600. In Virginia, 22% were for less than $600.

The nation needs a permanent, standing Emergency Assistance Fund (EAF) that provides short-term crisis assistance to those at imminent risk of housing instability, eviction, and homelessness. Such a program is needed in "normal" times and, as the pandemic has laid bare, in extraordinary times too. An EAF would provide both short-term financial assistance and stability services to help households overcome an unforeseen economic shock that threatens their housing stability. [Research](#) is clear that providing short-term crisis assistance to keep individuals and families stably housed is much cheaper to the taxpayer than incurring the myriad of long-term costs associated with housing instability, eviction, and homelessness. For example, researchers examined the effectiveness of temporary financial assistance by using data from the Homelessness Prevention Call Center (HPCC) in Chicago, which processes about 75,000 calls annually. Chicago residents at-risk of becoming homeless can call 311 to request temporary financial assistance for rent, security deposits, or utility bills. The researchers compared households that call when funds are available with those who call when funds are not available. They found that those calling when funding is available are [76%](#) less likely to enter a homeless shelter. The researchers also presented evidence that the program's cost is lower than the homelessness-related costs the program likely averted, making the program a cost-effective solution. Also, an [analysis](#) of the Massachusetts Residential Assistance for Families in Transition (RAFT) program, which provided financial assistance to help low-income households maintain stable housing during a crisis, found an estimated average savings of $43,321 for each family that avoided homelessness. Emergency assistance programs have a strong track record of success in states and localities across the country and are among the most cost-effective policy tools available to the federal government to stabilize people in times of crisis.



Source: New York Times

The Biden administration should prioritize the creation of a standing, permanent EAF that combines short-term financial assistance and support services to significantly reduce evictions and homelessness**.** The EAF could be structured as a grant program administered by the Department of Housing and Urban Development (HUD), with input from the Departments of Health and Human Services (HHS) and Agriculture (USDA). Grants could be awarded to states and local governments to establish crisis assistance programs to prevent low-income households from experiencing housing instability, including an imminent risk of eviction or homelessness, by providing short-term financial assistance and housing stabilization services. At least three-fourths of the dollars should be used to provide flexible financial assistance to help households overcome a short-term crisis that directly impacts their housing stability. Up to one-fourth of funds could be used to provide wrap-around services, such as case management, rehousing services, services to connect households to other public supports, and referrals to other services for behavioral, emotional, and mental health issues.

Bipartisan support for the EAF concept exists in Congress, and strong bipartisan majorities of the American people support the government investing in emergency crisis assistance to prevent housing instability. According to [polling results](#) from May 2020, 90% of the American people favor "providing emergency crisis assistance for households with the lowest incomes to help cover the rent if they experience an unexpected economic hardship, such as losing a job or a medical emergency that is not covered by insurance," including 96% of Democrats, 90% of Independents, 83% of Republicans, and 80% of conservative Republicans. Additionally, 91% of people favor "expanding stability services for households experiencing an unforeseen economic crisis so that they can avoid eviction and homelessness," including 97% of Democrats, 90% of Independents, 83% of Republicans, and 79% of conservative Republicans.

III. The Importance of Complementary State/Local Action

The aforementioned recommendations reflect a vision of a vigorous federal response to the housing affordability crisis. At the same time, states and localities must also expand resources, as well as implement more effective policies. For example, a significant expansion of HCVs at the federal level would be most effective when complemented with state and local efforts to eliminate source of income discrimination. In many states and municipalities, landlords are permitted under the law to openly discriminate against voucher holders which makes it difficult for voucher holders to find housing, especially in low-poverty neighborhoods. Also, as mentioned earlier, states must ensure that HTF Allocation Plans promote racially and economically inclusive communities. States and localities should also enact new rules to protect renters, such as good-cause eviction and right to counsel laws, to reduce the instability that so many vulnerable families experience. Moreover, states and localities should work together to reduce barriers to housing development, such as restrictive zoning policies which constrain supply, increase costs, and exacerbate residential segregation. To the maximum extent possible, the federal government should incentivize and support these complementary efforts at the state and local levels.

IV. Conclusion

The *Opportunity Starts at Home* campaign and its partners look forward to working with the Biden administration to address the lack of stable, accessible, affordable housing, especially among people with the greatest needs. If you have any questions or need additional information, please feel free to contact Mike Koprowski, National Campaign Director, at mkoprowski@nlihc.org

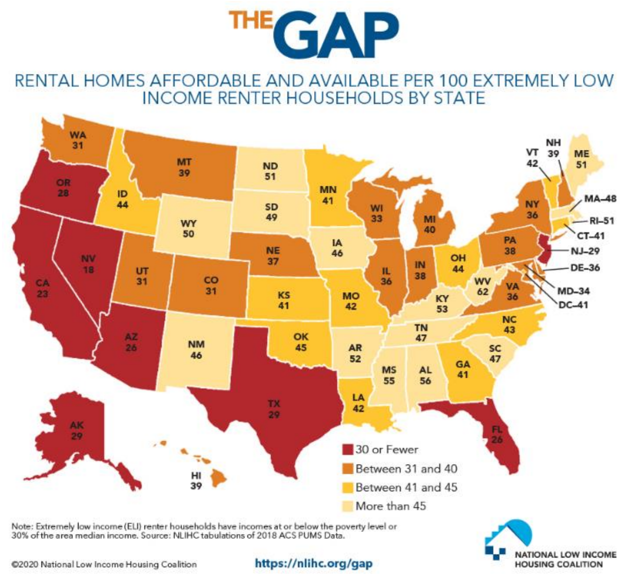
BACKGROUND

The Need for Solutions, Multi-Sector Impacts, and Public Opinion

The Need for Solutions

Since 1960, renter's incomes have risen by 5% while rents have risen 61%. For those at the bottom of the income scale, the problem is most acute: roughly 10 million households with extremely low incomes are either homeless or pay unaffordable rental costs that force many of them to make impossible choices between paying the rent and paying for food, medications, transportation, and other necessities. The number of households with "worst-case housing needs" – that is, households with very low incomes that either pay more than half their income for rent or live in severely substandard housing, and receive no aid – has risen by 66% since 2001. Limited public resources, coupled with the growing costs of housing, has led to a crisis of evictions, homelessness, and other types of housing instability. In fact, in 2016, over two million eviction filings were made in courthouses across the country – that is four every minute. An eviction on record makes it harder for a family to find decent housing in a safe neighborhood and it negatively impacts employment as well as physical and mental health.

The greatest need for affordable housing—on the local, state, and national level—is concentrated among renters with extremely low-incomes who earn no more than 30% of the area median income (AMI). According to the National Low Income Housing Coalition, there are no states, metro areas, or counties in the country where a worker earning the federal or prevailing state or local minimum wage can afford a two-bedroom rental home at fair market rent by working a standard 40-hour work week. Moreover, renters with extremely low incomes in the U.S. face a shortage of 7 million affordable and available rental homes, which means that only 36 affordable and available homes exist for every 100 renter households with extremely low-incomes. Not surprisingly, 71% (7.7 million) of the nation's 10.9 million extremely low income renter households are severely housing cost-burdened, spending more than half of their incomes on rent and utilities alone. Due to a long legacy of discrimination, people of color are more likely than white people to be extremely low income renters – in fact, 20% of Black households, 17% of American Indian or Alaska Native households, 15% of Hispanic households, and 10% of Asian households are extremely low income renters, compared to only 6% of white non-Hispanic households.



The private market has simply never been able to produce an adequate supply of homes for extremely low-income households, and the growth of low-wage work will significantly aggravate the problem in the years ahead. Consider that, for example, seven of the ten occupations projected to experience the greatest growth over the next ten years offer median hourly wages that are insufficient for full-time workers to afford modest apartments. As we will demonstrate in the next section, the impacts of the housing crisis spill over into nearly every other facet of American life.

The Multi-Sector Impacts of Stable, Affordable Homes

As the incoming Biden administration maps out its first 100 days**, few areas offer a better "bang for the buck" than housing**. Investments in affordable homes will generate multiplying returns in the form of higher educational attainment, increased economic mobility and productivity, reduced healthcare expenditures, increased investments to local economies, new jobs, and more. Stable, affordable homes improve outcomes across many sectors and various national priorities, and the research shows it:

- ***Education:*** Stable, affordable homes are linked with better educational outcomes (e.g., improved test scores; fewer behavioral problems; increased graduation). Research shows that children in low income households that live in affordable housing score better on cognitive development tests than those in households with unaffordable rents, partly because parents with affordable housing can invest more in activities and materials that support their children's development. One study showed that scattered-site public housing, which gave low-income children an opportunity to live in mixed-income neighborhoods and thereby attend mixed-income schools, drove stronger student academic gains and significantly reduced achievement gaps (even more so than some traditional education reforms).

- ***Health:*** When adults and children live in stable, affordable homes, they have better physical and mental health outcomes, are at lower risk of hospitalization, and are less likely to experience other economic hardships like food insecurity. Research has shown that stable housing reduces overall healthcare expenditures by 12% for Medicaid recipients, increases the use of primary care services by 20%, and decreases emergency room visits by 18%. Young children in families who live in unstable housing are 20% more likely to be hospitalized, and those who are forced to move frequently are at increased risk of poor child health, developmental delays, and being underweight for their age. Moreover, housing instability and homelessness have been linked to increased risks of depression and mental illness for both adults and children over their lifetimes. Not only does the housing crisis cause and perpetuate individual health disparities, it also balloons healthcare costs. One study from Children's HealthWatch found that unstable housing among families with children will cost the nation $111 billion in avoidable health-related expenditures over the next ten years.

- ***Food Security:*** Stable, affordable homes enable low-income families to devote more of their limited resources to other necessities, which is why stably housed families experience greater food security. Low-income families that live in affordable housing experience greater food security and their children are 52% less likely to be seriously underweight compared to those who are cost-burdened by rent.

- ***Upward Mobility:*** When low-income families with children used experimental housing vouchers to access affordable homes located in high-opportunity neighborhoods with low poverty, quality schools, and low crime, the children were 32% more likely to attend college and had 31% higher annual incomes as adults. In fact, younger disadvantaged children who moved to affordable housing located in lower-poverty neighborhoods earned an average of $302,000 more over their lifetime compared to their peers in higher poverty neighborhoods. Additionally, a recent report from the Children's Defense Fund and Urban Institute found that, when it comes to child poverty reduction, expanding federal housing vouchers would have the single largest impact among nine other non-housing policies examined.

- ***Racial Equity*****:** To this day, race predicts one's likelihood of experiencing rental cost-burdens, homelessness, and living in low opportunity neighborhoods of concentrated poverty. Lower wages, along with historical discrimination that prevented people of color from owning homes and building wealth, means that people of color are more likely to rent and are also more likely to struggle affording that rent. Not surprisingly, people of color are therefore dramatically overrepresented among those experiencing homelessness – in fact, African Americans represent 13% of the general population but are 40% of people experiencing homelessness and more than 50% of homeless families with children. Additionally, due to a legacy of government-sponsored housing segregation (e.g., redlining), African American and Hispanic families are significantly more likely to live in neighborhoods of concentrated poverty compared to white families, which significantly hinders opportunity and upward mobility. According to research from the Institute for Child, Youth and Family Policy at Brandeis University, most white children live in high-opportunity neighborhoods while most Black and Hispanic children live in low-opportunity neighborhoods. Studies show that affordable housing located in inclusive, high-opportunity neighborhoods can reduce residential segregation and concentrations of poverty, which, in turn, can enhance income, economic growth, safety, property values, and educational attainment for people of color.

- ***Homelessness Prevention:*** People experience homelessness because they cannot afford a place to live. Research demonstrates that communities in which residents spend over 32% of their income on rent experience a rapid rise in homelessness; in many areas of the country, even small rent increases can place thousands of vulnerable people at heightened risk of homelessness. When people do experience homelessness, they are at higher risk of premature mortality driven by extreme weather, injuries, and treatable medical conditions. Reducing homelessness not only improves individual life trajectories, but also reduces costs to all taxpayers by avoiding expensive ER visits, criminal justice encounters, shelter stays, and more.

- ***Economic Growth***: Research shows that the shortage of affordable housing in major metropolitan areas costs the American economy about $2 trillion a year in lower wages and productivity. Without affordable housing, families have constrained opportunities to increase earnings, causing slower GDP growth. According to the National Association of Home Builders, building 100 affordable rental homes generates $11.7 million in local income, $2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year alone.

- ***Climate:*** When housing is unaffordable near jobs and transit, low-income and working-class people, who often do not have the option to work remotely, are forced to live far away from where they work. This results in long commuting distances, which dramatically increase car-related greenhouse gas emissions. In California, where the housing affordability problem is particularly acute, roughly 40% of greenhouse gas emissions are from transportation alone. Additionally, investing in energy efficient multifamily affordable housing units means lower energy bills for cash-strapped low income families, more stable rental payments, and reduced overall air pollution.

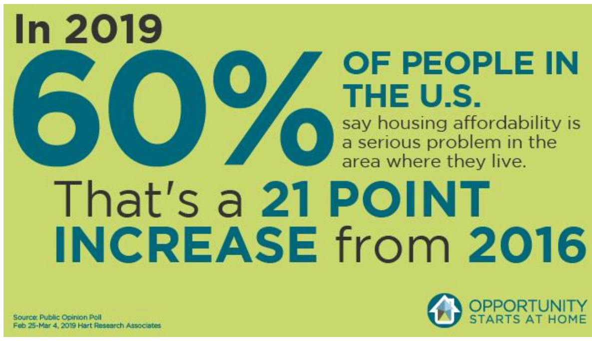
- ***Criminal Justice:*** When people are not stably housed, they are more likely to have encounters with the criminal legal system. Moreover, individuals transitioning out of the criminal legal system face many barriers to housing and are especially vulnerable to homelessness. In fact, a study found that people were most likely to experience homelessness within the first 30 days after release from prison or jail. They need stable housing so that they can reconnect with society and rebuild their lives. Formerly incarcerated individuals who find stable affordable housing are less likely to go back to jail and prison than those who do not.

- ***Domestic Violence*:** Victims of domestic violence struggle to find long-term, affordable housing after escaping abusive relationships. As affordable housing options become scarcer, victims stay longer in emergency domestic violence shelters or they are turned away due to capacity limitations. According to one survey, 83% of domestic violence survivors entering shelters identified “finding housing I can afford” as a need. This was second only to “safety for myself.”

- ***LGBTQ Equity***: As a result of discrimination, LGBTQ people are more likely to experience homelessness and housing instability than non-LGBTQ people. Studies show that LGBTQ youth and young adults are 120% more likely than their heterosexual and cisgender peers to experience homelessness, which can significantly impede their economic mobility, educational achievement, and physical and mental health. In fact, 40% of all homeless youth identify as LGBTQ.

Public Mandate for Action

The OSAH campaign commissioned Hart Research Associates to conduct two major national public opinion polls in the past two years. In [March 2019](), our polling found that the vast majority of the public (85%) believes that ensuring everyone has a safe, decent, affordable place to live should be a "top national priority." Sixty percent of the American people said housing affordability is a serious problem in the area where they live, which was up an astounding 21 points from 2016 – and that includes majorities in cities, suburbs, and rural areas, as well as majorities of Democrats, Independents, and Republicans. And 61% of people reported having to make at least one sacrifice in the past three years because they were struggling with housing costs, such as cutting back on learning activities for their child, nutritious food, or healthcare. The poll also revealed that strong majorities of the public, on a bipartisan basis, expect solutions. In fact, 83% agreed that elected officials are not paying enough attention to the cost of housing and the need for more affordable housing. Nearly 8 in 10 said the President should "take major action" to make housing more affordable for low-income families. And 76% said they are more likely to vote for candidates who have detailed plans for making housing more affordable.



In a more recent poll conducted in May 2020, 66% of the public said the amount they pay for housing is a concern, with 44% saying it is a big concern. Fifty-one percent of households making below $40,000 said it is a big concern, compared to 37% of households making over $75,000. Fifty-eight percent of African Americans and 56% of Hispanics say it is a big concern, compared to 39% of whites. Of all people who said it is a concern, 65% said their concern about the amount they pay for housing increased since the start of the COVID-19 outbreak. Seventy-three percent of African Americans and 72% of Hispanics said their concern increased since the start of the COVID-19 outbreak, compared to 63% of whites. Eighty-eight percent of people agreed that providing housing assistance to prevent evictions and homelessness during the coronavirus outbreak should be considered as urgent a priority as investments in healthcare, and 87% agree that elected leaders in Washington should take major action to make sure everyone has stable, affordable housing during the pandemic. By a 2:1 margin (67% to 33%), people want to see government make major housing investments even if it means increasing the deficit, including 79% of Democrats, 76% of Independents, and 49% of Republicans.