



# The Importance of Housing Affordability and Stability for Preventing and Ending Homelessness

## Introduction

*Home, Together: The Federal Strategic Plan to Prevent and End Homelessness*, which was adopted by the Council in 2018, includes an emphasis on improving housing affordability<sup>1</sup> and opportunities for households at risk of or exiting homelessness. This focus is informed by: the powerful connection between homelessness and access to housing people can afford; an increased awareness of housing as a core social determinant of personal health and well-being; and substantial evidence that housing stability is essential for people to address their challenges and pursue their goals. For example, a body of evidence indicates that when people—both adults and children alike—experience housing instability or homelessness, their prospects for future educational attainment, employment growth, health stability, and family preservation are significantly reduced.



When housing costs are more affordable and housing opportunities are more readily available, there is a lower likelihood of households becoming homeless, and households who do become homeless can exit homelessness more quickly and with greater likelihood of sustaining that housing long-term. To reduce the negative impacts of housing instability, and to end homelessness as quickly and efficiently as possible, communities are increasingly focused on expanding the supply of housing that is affordable to renter households at lower income levels, as well as ensuring that people experiencing and exiting homelessness have access to such housing.

## The Benefits of Housing Affordability and Stability

Living in a stable, adequate home that is affordable to the household yields a multitude of opportunities and stronger outcomes for children, youth, and adults.<sup>2</sup> A stable home provides a platform for improved outcomes around employment, health, and education. For instance, the impact of stable housing on children and youth is

<sup>1</sup> Generally, housing is “affordable” if it costs less than 30% of the resident household’s income; for example, for a household with \$2,000 of monthly income, a unit is affordable if the cost is \$600 or less. Housing may be affordable to people exiting homelessness through a variety of mechanisms: (1) it may be available in the private market without any subsidy needed, sometimes referred to as “naturally affordable” units; (2) people may be provided tenant-based rental assistance (e.g., HUD-PIH voucher, HUD HOME TBRA) to rent a unit in the private market; or (3) below-market rate rent levels may be secured through public and private financing into the development itself (e.g., HUD-assisted multi-family housing, project-based rental subsidies, Low Income Housing Tax Credit).

<sup>2</sup> See, e.g., USICH’s [The Evidence Behind Approaches that Drive an End to Homelessness](#).

well documented, including that, without stable housing, young people are more vulnerable to mental health problems, developmental delays, and poor cognitive outcomes.<sup>3</sup> Further, there is a correlation between housing instability and trauma, which can negatively impact future success. Educational outcomes for children are also improved with housing stability; young people in stable housing are less likely to repeat a grade and less likely to drop out of school. Ultimately, the lack of stable housing has long-lasting effects that can impact health, education, and employment throughout people’s lives and in future generations.

In another example, HUD’s large-scale [Family Options Study](#) demonstrated that access to housing that is affordable leads to substantial benefits in reducing food insecurity and school mobility; it also improves well-being among adults as well as children. In addition, the study offers evidence that providing access to housing that is affordable strengthens family well-being and dramatically reduces child separations, domestic violence, and psychological distress.

Further, many studies have also demonstrated that supportive housing, which combines housing with more intensive supportive services, has been shown to help people with disabilities exit homelessness, improve their health, and, by reducing their use of crisis services, lower public costs. In fact, numerous studies have shown that providing opportunities for supportive housing is less costly than the public costs related to chronic homelessness.<sup>4,5,6</sup>

## Recent Reports Regarding Housing Affordability Challenges

In many parts of the country, housing costs are rising more quickly than incomes, housing markets have not responded with adequate supplies of housing, and renter households at the lowest income levels face the greatest challenges with housing costs. Several recent reports on research and data analyses regarding housing affordability challenges are driving local conversations within many communities and are therefore important for broad federal awareness, including:

- HUD’s [Worst Case Housing Needs 2017 Report to Congress](#)<sup>7</sup> reported that more than 8 million households with very low incomes pay more than 50% of their household income for housing costs, leaving them with challenges paying for transportation, child care, food, medical expenses, and other necessities. This report further documents that for every 100 extremely low income households – who make less than 30% of the median income in their area – there are only 33 units that are affordable and available (i.e., either occupied by a renter at or below that income level or vacant). This situation leaves households at risk of homelessness if they have unexpected expenses, such as a car breaks down, work hours are cut, or a family

<sup>3</sup> See, e.g., the studies referenced in USICH’s [Ending Family Homelessness, Improving Outcomes for Children](#).

<sup>4</sup> Sadowski, L., et al. 2009. “Effect of a Housing and Case Management Program on Emergency Department Visits and Hospitalizations Among Chronically Homeless Adults.” *JAMA* 301 (17), 1771-1778; Basu A., et al. 2012. “Comparative Cost Analysis of Housing and Case Management Program for Chronically Ill Homeless Adults Compared to Usual Care.” *Journal of Health Services Research*. DOI: 10.1111/j.1475-6773.2011.01350.

<sup>5</sup> Hall, Gerod, et al. 2014. *Public Service Use and Costs Associated with NY/NY III’s Supportive Housing for Active Substance Users*. Columbia University, The National Center on Addiction and Substance Abuse.

<sup>6</sup> [http://www.csh.org/wp-content/uploads/2014/01/FUSE-Eval-Report-Final\\_Linked.pdf](http://www.csh.org/wp-content/uploads/2014/01/FUSE-Eval-Report-Final_Linked.pdf)

<sup>7</sup> This report provides an estimate of the number and percentage of renters who are experiencing “worst case” housing needs, meaning they: (1) have very low incomes (below 50% of the median income in their area); (2) do not receive government housing assistance; and (3) either have severe rent burdens (paying more than 50% of their income in rents), or live in severely inadequate or substandard housing, or experience both problems.

member is hospitalized. The National Low Income Housing Coalition's [2019 Gap Report](#) estimates that there is a shortage of 7 million rental homes for households whose incomes are less than 30% of the median income in their communities.

- The [2018 Out of Reach Report](#), also published by the National Low Income Housing Coalition, reports that a full-time worker in America must earn on average at least \$22.10 an hour to afford a modest two-bedroom apartment without paying more than 30% of their income for housing. This rate varies across communities, of course; for instance, to rent a reasonable two-bedroom unit in Washington, DC, a worker must earn \$34.48 an hour, while in Oklahoma that wage is \$15.41.
- There is a particularly severe problem with availability of housing that is affordable to those with extremely low incomes, including the more than 4.8 million adults with disabilities living only on Supplemental Security Income (SSI) in America. [Priced Out: The Housing Crisis for People with Disabilities](#), prepared by Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force, documents that a person who has SSI as their sole source of income cannot afford a safe, decent rental unit anywhere in the United States. The report also documents that the SSI income amount of \$763 in 2016 was less than that year's average national monthly rent of \$861 for a modest one-bedroom apartment. In the absence of rental assistance, therefore, people living with disabilities frequently experience severe rent burdens and are at greater risk for institutionalization or homelessness.
- [Recent research sponsored by Zillow](#) analyzes connections between rent levels and rates of homelessness in communities, and provides convincing evidence that rising rental housing costs are a significant predictor of homelessness. The study concludes that communities where median rent levels exceed 32% of median household incomes can expect more rapid increases in homelessness. The study also documents that areas with the most severe housing affordability issues along with rapidly rising rents are home to only 15% of the country's total population but account for 47% of all people experiencing homelessness in the United States.

Taken together, these analyses help support the assessment that severe housing affordability challenges, limited supply, increasingly high rents and rent burdens on households, and low vacancy rates with tighter competition for units in many communities are helping to drive the increases in unsheltered homelessness reflected in the Point-in-Time count data in [2017](#) and [2018](#).

It is also important to note that a disproportionate number of households of color face significant housing needs and homelessness. While non-Hispanic Black persons represent 13% of the total population, they are 21.7% of the renters experiencing the worst case housing needs defined in HUD's report. Similarly, Hispanic persons are 16% of the population but represent 25.3% of renters with worst case housing needs. This data is consistent with data regarding racial disparities in experiences of homelessness; for example, 40% of people counted as experiencing homelessness in the January 2018 Point-in-Time count were African American.

### **Achieving an Increased Focus on Housing Affordability and Stability**

Housing affordability and stability challenges in communities will not be solved overnight, but local leaders can take action now to both improve current conditions and generate the information and support that will be needed to achieve the longer-term and larger-scale solutions needed, including:

- **Elevating awareness and attentiveness to the impact of housing stability on a broad range of outcomes, including education, health, and employment.** As described above, there is a wealth of evidence to support the link between housing stability and outcomes related to health, education, safety, employment, and others. Despite this evidence, many programs do not consistently collect and assess participant information regarding housing status and its impact on program outcomes. To address this gap, local partners can work to capture information on housing status and stability at entry into, during participation in, and at exit from programs, and assess how increasing a focus on housing stability can improve program outcomes, such as keeping families together, reducing absenteeism and drop-out rates for children and youth in public schools, ensuring stable employment and earned income, and improving physical and behavioral health of everyone in the household, among others. This data and information can help make the case regarding the importance of housing stability and will help recruit a broader array of stakeholders and local leaders to recognize roles they need to play in addressing housing affordability and stability.
- **Strengthening partnerships to improve program participants' housing stability.** Many programs provide services with a broad range of activities for a diverse set of subpopulations, including but not limited to those at-risk of and experiencing homelessness, often referred to as “mainstream programs.” Strengthening partnerships with these programs can both support their capacity to better prevent homelessness and can help ensure successful exits from homelessness by focusing on: improving housing stability among mainstream program participants; prioritizing households experiencing homelessness or at risk of homelessness for the services and opportunities that mainstream programs provide; and targeting mainstream services to people who have exited homelessness to help ensure their stability and success. Through such partnerships, communities can better support households to maintain housing stability in the long-term, providing a platform from which households can address their challenges, stabilize their families, pursue economic mobility, and achieve their goals.
- **Identifying and removing barriers to housing assistance and/or prioritizing households experiencing or most at risk of homelessness.** While some barriers to housing assistance are created through federal statutes or regulations, many programs offer a great deal of discretion to local communities in the implementation of such programs. Agencies that provide housing assistance can undertake analyses of potential changes to local policies and practices that would improve access to assistance for households experiencing homelessness or those assessed as most at risk of homelessness. In addition, agencies with housing programs can implement policies that prioritize people experiencing homelessness for available and appropriate housing options. For example, Public Housing Agencies and HUD-assisted multifamily housing developments can, within the federal requirements, establish preferences for households exiting homelessness or moving on from permanent supportive housing.
- **Aligning all housing affordability and homelessness efforts.** USICH's recent publication [Aligning Affordable Housing Efforts with Actions to End Homelessness](#) supports communities to implement strategies that will better align efforts to address housing affordability more broadly with efforts to prevent and end homelessness, focusing on actions to: Align Efforts; Set Goals; Message Effectively; Encourage Development; Engage Federal Programs; Target and Scale State and Local Funding; Align Funding; Link Health and Housing, and Ensure Access.

## ***Home, Together Strategies Related to Housing Affordability***

In addition to such actions, *Home, Together* also identifies federal strategies that USICH and our partners are acting upon and which communities can adapt within their efforts. The Plan's most relevant strategies include:

### **Strategies to Ensure that Homelessness is Prevented Whenever Possible**

- **Promote development of an expanded supply of safe and affordable rental homes through federal, state, and local efforts and investments.** This includes assisting communities that are working to adopt policies to expand overall housing supply and to project the scale of affordable housing units—including units that are affordable to people exiting homelessness and units that are accessible to persons with disabilities—needed to meet local demand on an ongoing basis. (Strategy 1.2.a)
- **Improve access to federally funded housing assistance by eliminating administrative barriers and encouraging targeting and prioritization of affordable housing** to people experiencing homelessness in a community and/or to populations that are especially vulnerable to homelessness. (Strategy 1.2.b)
- **Encourage programs that are not specifically dedicated to ending homelessness to fund interventions that promote and support housing stability or to prioritize or serve individuals and families experiencing homelessness.** Federal partners will further encourage partnerships with sources of public resources that can fund housing and related interventions, or that can prioritize or serve those experiencing homelessness, such as public housing, Temporary Assistance for Needy Families and child welfare agencies, Head Start programs, and Child Care and Development Fund providers, to strengthen the communitywide approach that ensures that homelessness is a brief experience in any community. (Strategy 1.2.i)

### **Strategies to Ensure that Homelessness is a Brief Experience**

- **Support communities to expand the supply and increase access to rental housing subsidies and other affordable housing options for individuals and families experiencing or most at risk of homelessness.** These efforts will include: (1) Encouraging collaboration between public housing agencies, multi-family housing owners, and homelessness services systems, and promoting guidance on how public housing agencies and multi-family housing owners can adopt admissions preferences and successfully house people exiting homelessness; and (2) Supporting states and communities to better target and align rental assistance and capital financing sources to support new construction and rehabilitation of affordable housing units that can be effectively accessed by people exiting homelessness. (Strategy 2.4.a)
- **Support communities to implement expanded “move-on” strategies to assist people who have achieved stability in permanent supportive housing**—and who no longer need and desire to live there—to move into other housing options they can afford and create access to those permanent supportive housing units for other prioritized households currently experiencing homelessness. (Strategy 2.4.f)
- **Improve access to federally funded housing assistance by eliminating administrative barriers and encouraging prioritization of people experiencing or most at risk of homelessness,** including implementing the housing anti-discrimination and eviction protection provisions covered in the Violence Against Women Act. Federal partners will review federal program policies, procedures, and regulations to identify administrative or regulatory mechanisms that could be used to remove barriers and improve access to stable health care, housing, and housing supports. (Strategy 2.4.i)