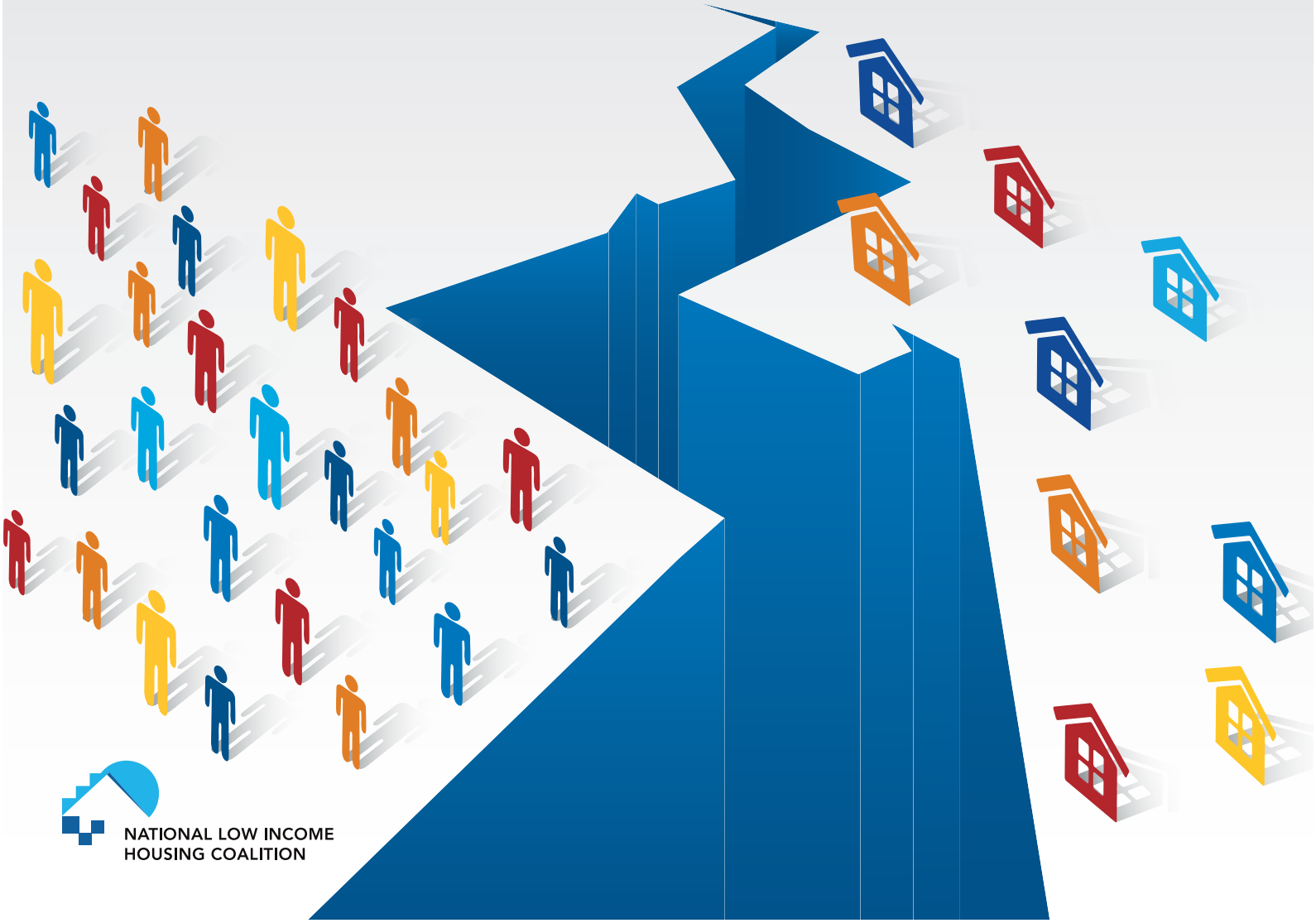
THE GAP

The Affordable Housing Gap Analysis 2016



NATIONAL LOW INCOME HOUSING COALITION

THE GAP

The Affordable Housing GAP Analysis 2016

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About NLIHC

The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

Founded in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes and advocates to ensure decent, affordable housing for everyone.

Our goals are to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low income housing policy.

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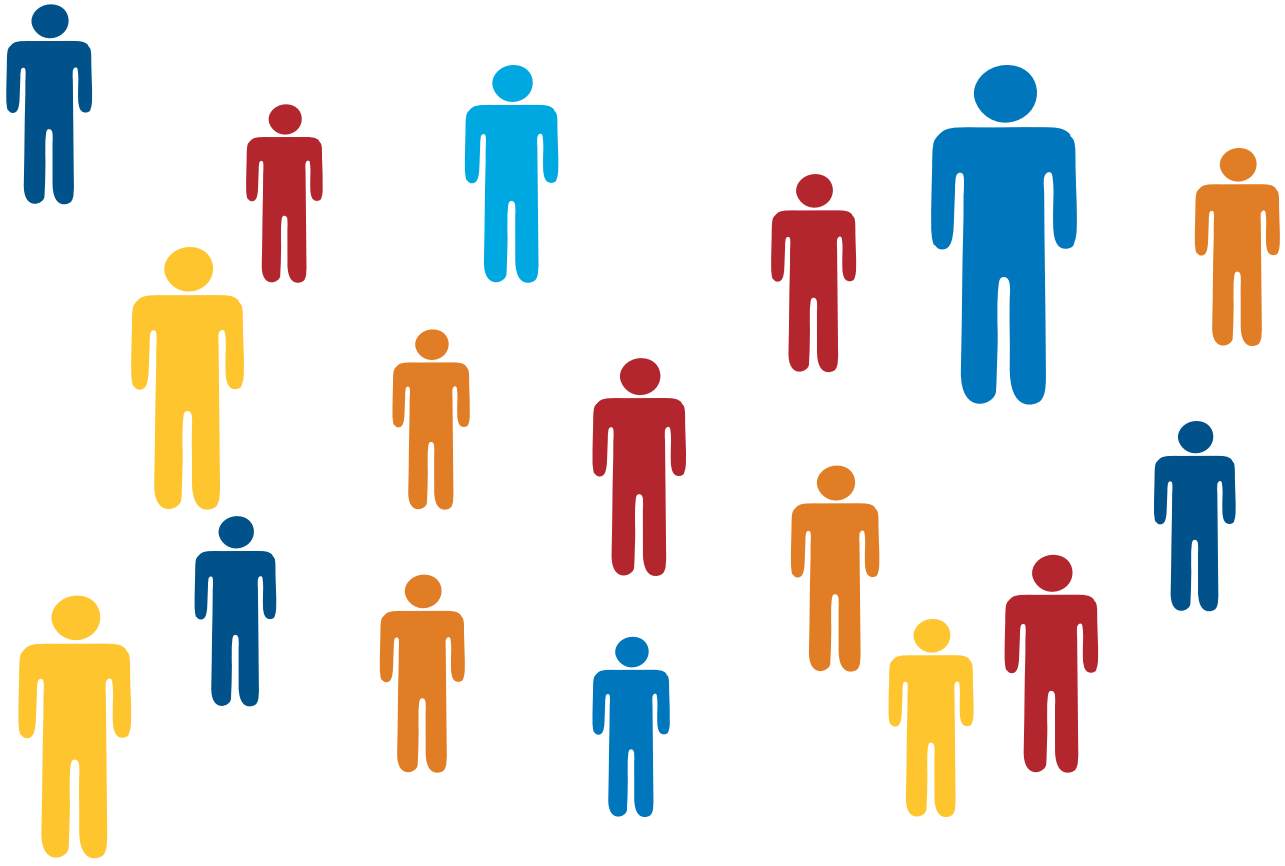


INTRODUCTION

In 2016, the first funds from the National Housing Trust Fund (NHTF) will be distributed to the 50 states, the District of Columbia, and the U.S. Territories (see Box 1). The NHTF is the first new source of federal funding in over 40 years specifically dedicated to expanding the supply of affordable housing for extremely low income (ELI) households, those with income of 30% or less of their area median (AMI). This report documents the acute shortage of housing affordable to ELI households, discusses its causes, and examines the potential impact of greater investment in the NHTF and housing for ELI renters.

Each year, the National Low Income Housing Coalition (NLIHC) examines the availability of rental housing affordable to ELI households and other income groups commonly defined by HUD (see Box 2). The annual analysis consistently shows a significant shortage of rental housing that is both **affordable and available**[1] to ELI households. Given the costs of land acquisition and construction, production of new rental housing affordable to ELI households is nearly impossible without considerable subsidy. Current federal affordable housing production programs allow rents that are too high for ELI renters. To live in new federally assisted affordable housing, ELI renters must have additional housing assistance or face significant cost burdens. Meanwhile, in the past decade more than 46,000 Project-Based Section 8 rental units have been lost from the affordable housing stock through demolitions and contract expirations (Ray, Kim, Nguyen, & Choi, 2015). Federal funding for housing assistance remains inadequate and is often at-risk during the federal appropriations process. Clearly a new approach is needed to address the housing needs of households with the lowest incomes.

Using 2014 American Community Survey (ACS) data, this report provides information on housing supply and housing cost burden at the national, state, and metropolitan levels. Key findings include:

> "THE U.S HAS A **SHORTAGE OF 7.2 MILLION AFFORDABLE RENTAL UNITS AVAILABLE TO ELI RENTER HOUSEHOLDS**. THERE WERE 31 AFFORDABLE AND AVAILABLE UNITS PER 100 ELI RENTER HOUSEHOLDS."

- 10.4 million ELI renter households accounted for 24% of all renter households and 9% of all U.S. households.
- The U.S has a shortage of 7.2 million affordable rental units available to ELI renter households. There were 31 affordable and available units per 100 ELI renter households.
- For the 4.1 million deeply low income (DLI) renter households, those with incomes at 15% or less of AMI, there was a shortage of 3.4 million affordable and available rental units. There were only 17 affordable and available rental units per 100 DLI households.
- Seventy-five percent of ELI renter households and 93% of DLI renter households were severely cost-burdened, spending more than half of their income on rent and utilities.
- In every state, at least 55% of ELI renters spent more than half of their income on rent and utilities.
- Among the 50 metropolitan areas with the largest number of renter households, the shortage of units affordable and available to ELI households ranged from 21,073 in Fresno, CA to 609,731 in New York, NY-NJ-PA metropolitan area.

1 An affordable unit is one which a household at the defined income threshold can rent without paying more than 30% of its income on housing and utility costs. A unit is affordable and available if that unit is both affordable and vacant, or is currently occupied by a household at or below the defined income threshold.

SHORTAGE OF AFFORDABLE UNITS

Nearly 43.2 million renter households lived in the U.S. in 2014; 10.4 million of them were ELI. Only 5.8 million rental units were affordable to ELI renters, leaving an absolute shortage of 4.6 million affordable units. Among the 10.4 million ELI renter households, 4.1 million were DLI renter households. Only 2.3 million rental units were affordable to DLI renter households, leaving a shortage of 1.8 million rental units for the poorest households (Figure 1).[2]

The shortage of affordable housing turns into a surplus further up the income ladder. There were 7.5 million very low income (VLI) renter households with income from 31% to 50% of AMI and 9.9 million rental units with a price affordable specifically to this income range, leaving a surplus of 2.4 million affordable units. In addition to the surplus of rental units within the specific price range matched to their income, VLI households can also afford units affordable to DLI and ELI renter households (Figure 1). When these units are included, there were 15.7 million rental units affordable to VLI households.

BOX 2: DEFINITIONS

AREA MEDIAN INCOME (AMI): The median family income in the metropolitan or nonmetropolitan area

DEEPLY LOW INCOME (DLI): Households with income at or below 15% of AMI

EXTREMELY LOW INCOME (ELI): Households with income at or below 30% of AMI

VERY LOW INCOME (VLI): Households with income from 31% to 50% of AMI

LOW INCOME (LI): Households with income from 51% to 80% of AMI

MODERATE INCOME: Households with income from 81% to 120% of AMI

COST BURDEN: Spending more than 30% of household income on housing costs

SEVERE COST BURDEN: Spending more than 50% of household income on housing costs

There were 8.7 million low income (LI) renter households with income from 51% to 80% of AMI and 19.9 million rental units affordable specifically to them. LI households can also afford units that are affordable to DLI, ELI, and VLI renter households, effectively expanding the supply of affordable rental housing for LI households to 35.6 million units.

BOX 1: THE NATIONAL HOUSING TRUST FUND (NHTF)

The NHTF provides communities with funds to build, preserve, and rehabilitate housing affordable for ELI and VLI households. The NHTF's most important features include:

- Dedicated source of funding not subject to the annual Federal appropriations process.
- At least 90% of funds must be used for the production, preservation, rehabilitation, or operation of rental housing.
- At least 75% of funds for rental housing must benefit ELI households, and up to 25% can benefit VLI households.
- If capitalized under $1 Billion, all NHTF funds must be targeted toward ELI households.

Figure 1 illustrates the significant shortage of units affordable to DLI and ELI renter households. Furthermore, DLI and ELI renter households must compete with all higher income households for the limited number of units affordable to them in the private market. In short, DLI and ELI renter households face the most severely constrained choices for securing affordable rental housing and are most at risk of housing instability and homelessness.

Affordable But Not Available

Of the 5.8 million affordable rental units for ELI households, 2.6 million were occupied by higher income households. Approximately 900,000 VLI renter households, 700,000 LI renter households, and one million moderate and higher income renter households in 2014 lived in units that were affordable to ELI households, making them unavailable to ELI renters. As a result, there were

2 DLI households are not a HUD-defined income group. NLIHC includes this group in our annual analysis and considers them a subset of ELI households in this report.

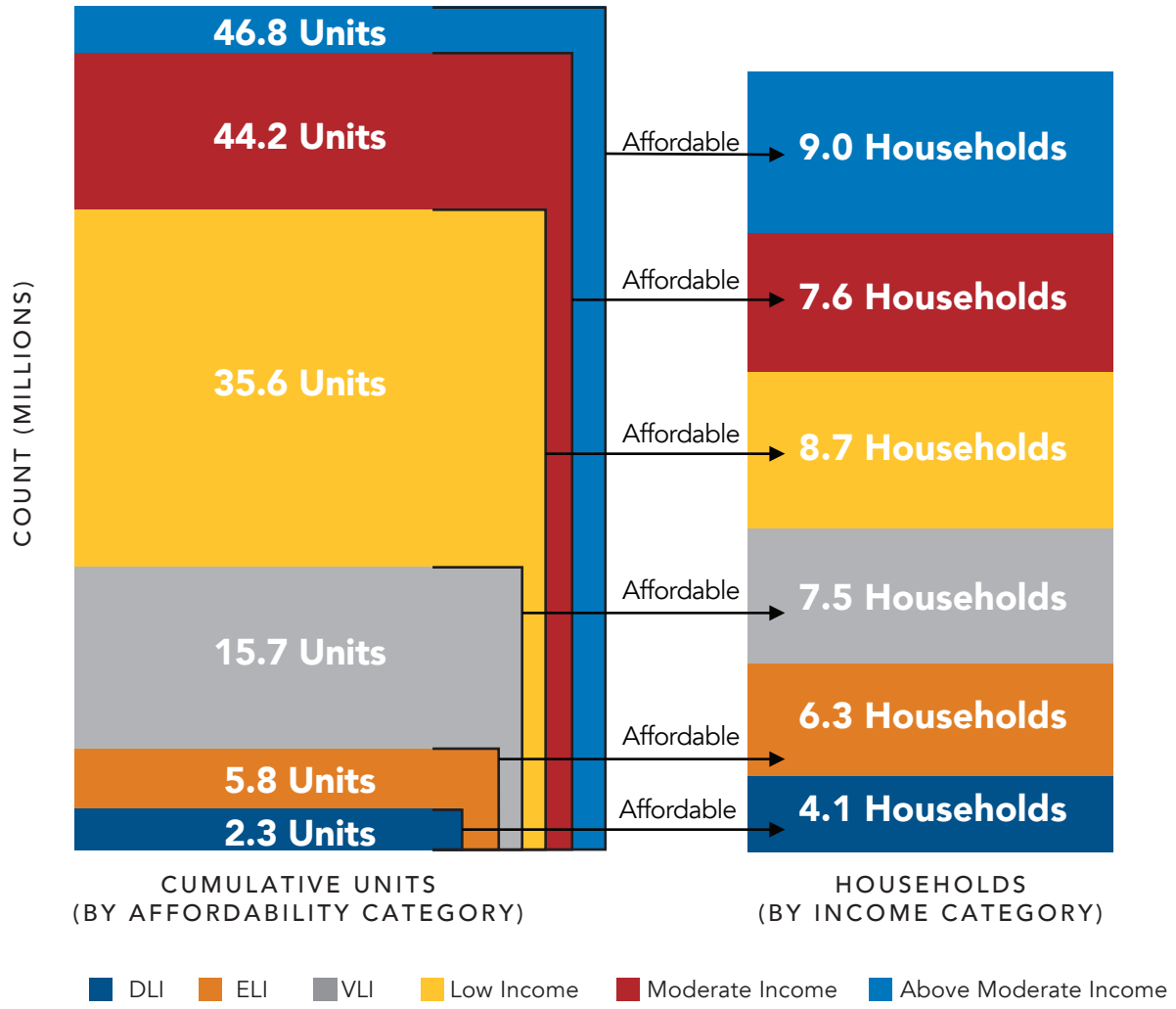
only 3.2 million affordable and available rental units for the 10.4 million ELI renter households. **This resulted in a shortage of 7.2 million available rental units for ELI households, or only 31 affordable and available units for every 100 ELI renter households. For DLI renter households, the shortage was even more significant with 17 affordable and available rental units for every 100 DLI renter households.**

This shortage does not account for people who are homeless, as the ACS includes only households with an address. HUD's Point-in-Time count indicates there were 422,619 homeless households in the United States on a given night in January 2015.[3] Including this estimate means the actual shortage of rental units available to ELI households is minimally 7.6 million.

There is also a shortage of affordable and available rental units for all VLI renter households with income up to 50% of AMI and all LI renter households with income up to 80% of AMI due to greater demand for rental housing among all income groups in recent years. Higher income renters living in housing affordable to lower income renters make

3 Based on estimates of the number of homeless individuals and families with children provided by the National Alliance to End Homelessness.

FIGURE 1: RENTAL UNITS AND RENTERS IN THE US, MATCHED BY AFFORDABILITY AND INCOME CATEGORIES, 2014



Source: NLIHC Tabulations of 2014 ACS PUMS data

the units unavailable to lower income renters. There were 57 and 96 affordable and available units for every 100 VLI and LI renter households, respectively.

HOUSING COST BURDEN

The shortage of affordable housing results in many renter households paying more for housing than they can afford. A household is considered to be cost burdened when it spends more than 30% of income on rent and utilities, and severely cost burdened when it spends more than 50%.

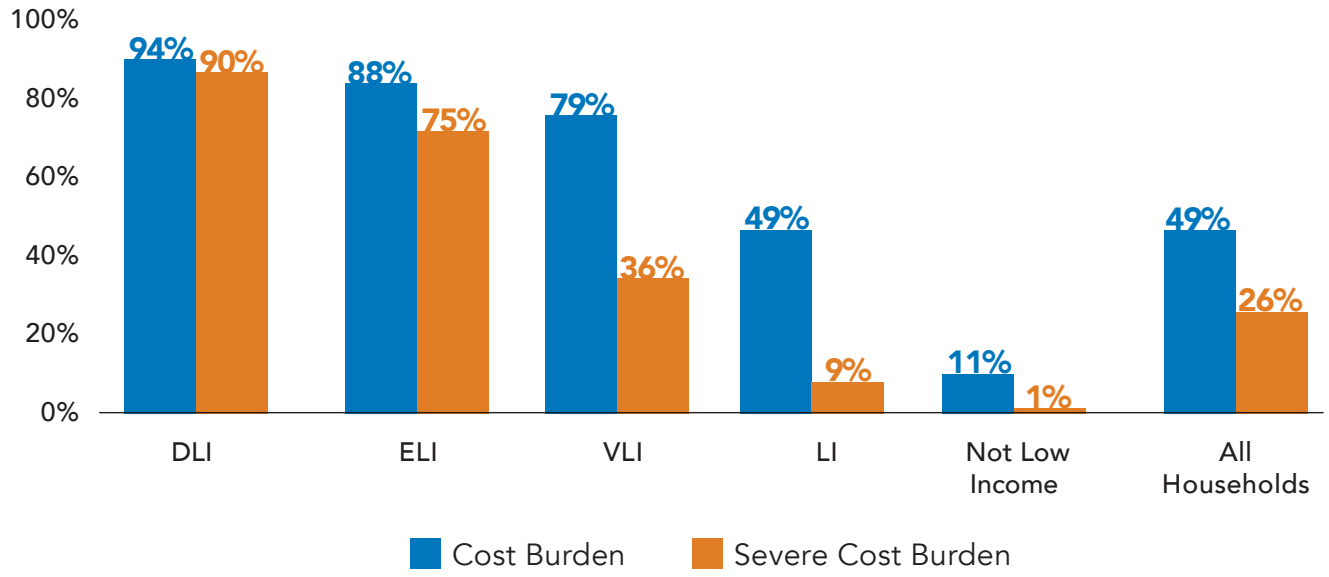
In 2014, 94% of DLI renter households, 88% of ELI renter households, 79% of VLI renter households, and 49% of LI renter households had a housing cost burden (Figure 2). Eleven pecent of renter households with income above 80% of AMI were cost burdened. The lowest income households face the most severe burdens. **Ninety percent of DLI renter households and 75% percent of ELI renter households were severely cost burdened**. Thirty-six percent and 9% of VLI and LI renter households were severely cost burdened, respectively. Only 1% of renter households with income greater than 80% of AMI were severely cost burdened.

ELI renter households have little money left for other necessities after paying the rent. A severely cost burdened ELI household with income of $1,696 per month[4] is spending at least $850 per month on rent, leaving $846 for all other living expenses. The U.S. Department of Agriculture's (2015) thrifty food budget for a family of four (two adults and two children) is $657, leaving at most $189 for transportation, child care, clothing, and other necessities. To make ends meet, severely cost burdened families spend less on transportation, medical care, and food. In 2014, the severely cost burdened renters of the lowest income group spent on average 38% less on food and 55% less on healthcare than similar households who were not severely cost burdened (Joint Center for Housing Studies, 2015).

People with long-term disabilities whose sole source of income is Supplemental Security Income (SSI) face an even greater burden. An individual relying

4 National weighted average of HUD's 2015 ELI income limits for four person household.

FIGURE 2: COST BURDEN AND SEVERE COST BURDEN AMONG RENTER HOUSEHOLDS, 2014



Source: NLIHC Tabulations of 2014 ACS PUMS data

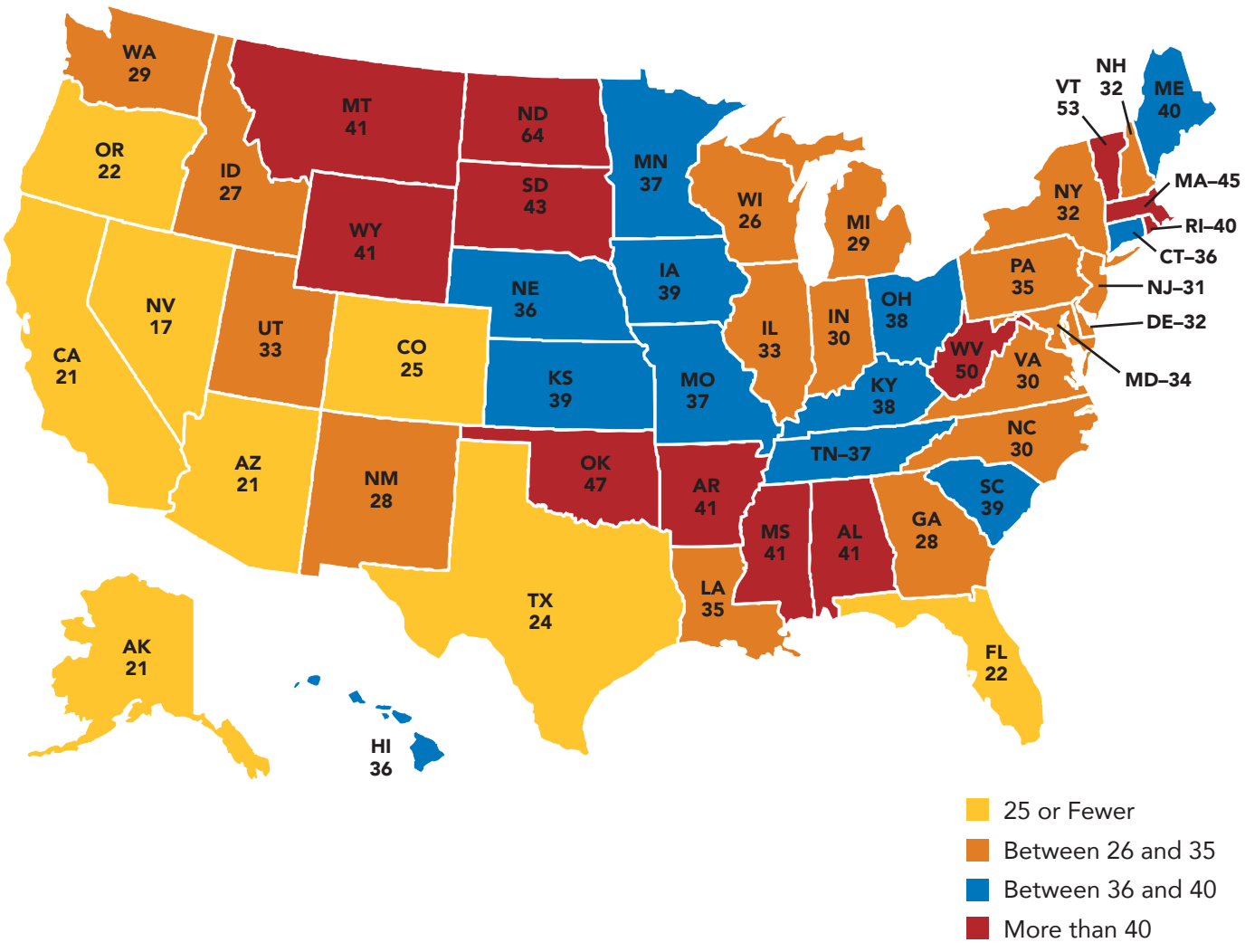
on SSI in 2014 had an average monthly income of approximately $750 (Cooper, Knott, Schaak, Sloane, & Zovistoski, 2015). At this income, an individual without housing assistance can afford monthly rent of no more than $225 without experiencing a housing cost burden. Few apartments are this inexpensive. The national average monthly cost of a modest one bedroom apartment in 2014 was $780, which would consume 104% of an individual SSI recipient's income (Cooper et al., 2015).

Severe housing cost burden is a risk factor for housing instability and homelessness. With a stretched household budget, a trip to the hospital or a car repair can spell financial disaster, edging a family closer to eviction. Housing instability can cause significant disruptions for family members, such as children's education (Brennan, 2011; Cunningham & MacDonald, 2012) and health care treatment to individuals with chronic illnesses (Maqbool, Viveiros, & Ault, 2015).

THE SHORTAGE AND COST BURDEN BY STATE

No state or the District of Columbia has an adequate supply of rental housing for ELI and

FIGURE 3: UNITS AFFORDABLE AND AVAILABLE PER 100 ELI RENTER HOUSEHOLDS BY STATE



Source: NLIHC Tabulations of 2014 ACS PUMS data

DLI households. Appendix A shows the shortage of affordable rental housing available to DLI and ELI households and the percentage of renters with severe housing cost burden for each state.

The shortage of available rental units for ELI renter households ranged from 7,820 units in Vermont to 1,003,110 units in California. The states where ELI renters faced the greatest difficulty in finding affordable and available housing were Nevada, with only 17 affordable and available units for every 100 ELI renter households, Alaska (21/100), California (21/100), Arizona (21/100), Florida, (22/100) and Oregon (22/100) (Figure 3). The states with the greatest number of units affordable and available for every 100 ELI renter households were North Dakota (64/100), Vermont (53/100), West Virginia (50/100), Massachusetts (45/100), and South Dakota (43/100).

Severe cost burdens were pervasive among ELI renter households. The states with the greatest percentage of severely cost burdened ELI renters were Nevada (85%), Florida (84%), Georgia (81%), Oregon (81%), and Arizona (81%). The states with the smallest percentage of severely cost burdened ELI renters were Vermont (55%), North Dakota (57%), Massachusetts (61%), South Dakota (62%), Minnesota (65%), and the District of Columbia (65%).

DLI renter households faced even greater housing challenges. The states where DLI renters faced the greatest difficulty in finding affordable and available housing were Alaska, with only five affordable and available units for every 100 DLI renter households, Wyoming (11/100), Wisconsin (11/100), Iowa (12/100), Delaware (12/100), and Nevada (12/100). The states with the greatest number of units affordable and available for every 100 DLI renter households were North Dakota (39/100), the District of Columbia (30/100), Massachusetts (29/100), Ohio (25/100), and Minnesota (25/100).

The states with the greatest percentage of severely cost burdened DLI renter households were Alaska (97%), Nevada (96%), Florida (95%), Georgia (95%), and Louisiana (95%). The District of Columbia had the smallest percentage of severely cost burdened DLI renter households with 73%, followed by Massachusetts (75%), North Dakota (76%), New Hampshire (80%), and Vermont (81%).

THE SHORTAGE AND COST BURDEN IN THE 50 LARGEST METROPOLITAN AREAS

An examination of the same metrics for the 50 largest metropolitan areas by renter households shows that none had an adequate supply of affordable and available rental housing for DLI and ELI households. See Appendix B.

The metropolitan areas with the least adequate supply for ELI renters were Orlando, FL and Las Vegas, NV, with 15 affordable and available units for every 100 ELI renter households (Table 1). The Boston, MA and Pittsburgh, PA metropolitan areas had the highest number of affordable and available units for every 100 ELI renter households, with 46. The percentage of ELI renters with a severe housing cost burden ranged from 59% in Boston, MA to 90% in Orlando, FL.

The number of units affordable and available for every 100 DLI renter households ranged from five in Orlando, FL to 32 in Boston, MA. The percentage of DLI renters with a severe housing cost burden ranged from 71% in Boston, MA and San Jose, CA metropolitan areas to 100% in Orlando, FL.

Causes of the Shortage

The private market does little to produce new rental housing affordable to the lowest income households without public subsidy. The cost of development is simply too high. Construction costs alone exceeded $100,000 per housing unit in multi-family structures during eight of the past ten years (Joint Center for Housing Studies, 2015). In high cost areas, per unit costs can be far higher. Developers in

Washington, DC for example suggest that per unit costs can reach $250,000 (Hickey & Sturtevant, 2015). The national average of what an unassisted four-person ELI household can afford to pay in monthly rent, without experiencing a cost burden, is $509. To cover the debt service on capital costs and other expenses, developers must charge much higher rents and target new units to the higher end of the rental market.

Some argue that new housing development, regardless of its price, can help address the shortage of housing for low income renters (Taylor, 2016). This occurs through a process known as filtering. The filtering theory suggests that new development results in a chain of household moves: higher income households move into new, more expensive units, leaving behind their older and presumably less expensive housing, which is then occupied by other households who leave behind even older housing, and so on. Eventually this process is assumed to increase the availability of the oldest and lowest priced housing units to low income renters.

TABLE 1: METROPOLITAN AREAS WITH THE HIGHEST AND LOWEST AVAILABILITY OF RENTAL UNITS AFFORDABLE TO HOUSEHOLDS AT OR BELOW 30% OF AMI, 2014

LOWEST		HIGHEST	
Metropolitan Area	Units Affordable and Available per 100 Renter Households	Metropolitan Area	Units Affordable and Available per 100 Renter Households
Orlando–Kissimmee–Sanford, FL	15	Boston–Cambridge–Newton, MA–NH	46
Las Vegas–Henderson–Paradise, NV	15	Pittsburgh, PA	46
Los Angeles–Long Beach–Anaheim, CA	17	Cincinnati, OH–KY–IN	42
San Diego–Carlsbad, CA	17	Cleveland–Elyria, OH	41
Phoenix-Mesa–Scottsdale, AZ	18	St. Louis, MO–IL	40
Sacramento–Roseville–Arden–Arcade, CA	18	Providence–Warwick, RI–MA	40
Tucson, AZ	19	Baltimore–Columbia–Towson, MD	37
Dallas–Fort Worth–Arlington, TX	19	Kansas City, MO–KS	36
Riverside–San Bernardino–Ontario, CA	19	Hartford–West Hartford–East Hartford, CT	35
Portland–Vancouver–Hillsboro, OR–WA	20	Nashville–Davidson–Murfreesboro–Franklin, TN	34

Source: NLIHC Tabulations of 2014 ACS PUMS data

It has long been known however that filtering cannot be counted on to supply housing affordable for ELI renters (Apgar, 1993). Housing rarely becomes cheap enough for them. In strong markets, owners are more likely to redevelop their properties for higher income renters. In weak markets, owners often abandon the properties when rent revenues no longer cover the costs of basic maintenance. The increase in lowest cost, private-market rental units from 2003 to 2013 through filtering was matched by an almost equal share of housing that was lost permanently (Joint Center for Housing Studies, 2015).

Analysts from the Federal Reserve Bank of New York found that from 1989 to 2013 filtering accounted for nearly three-quarters of the increase in housing units for renters in the bottom half of the U.S. income distribution, while new construction accounted for the increase in rental units at the upper end of the income distribution (McCarthy, Peach, & Ploenzke, 2015). Rent inflation, however, was far higher at the bottom of the market than at the top. New construction dampens inflationary pressures at the top of the market, but filtering does little to dampen housing cost inflation for low income households.

> "**FEDERAL SUBSIDIES** ON WHICH DEVELOPERS MOST OFTEN RELY TO PRODUCE NEW AFFORDABLE RENTAL HOUSING **ARE NOT DESIGNED TO SERVE ELI HOUSEHOLDS** AND ALLOW RENTS FAR HIGHER THAN WHAT ELI RENTERS CAN AFFORD."

Meanwhile, federal subsidies on which developers most often rely to produce new affordable rental housing are not designed to serve ELI households and allow rents far higher than what ELI renters can afford without additional housing assistance. These programs include the HOME Investment Partnerships Program (HOME), the Federal Home Loan Bank's Affordable Housing Program (AHP), and the Low Income Housing Tax Credit (LIHTC). Since 1992, less than 44% of HOME rental units have served ELI renters at initial occupancy (Bolton, Bravve, & Crowley, 2014). In 2014, only 23% of new rental units receiving AHP funding were affordable to ELI households (Federal Housing Finance Agency, 2015). NLIHC analysis of a random sample of LIHTC projects in five states shows that 36% of units were occupied by ELI households (Bolton et al., 2014).

Further, ELI households served by these production programs typically need additional rental assistance, such as Housing Choice Vouchers (vouchers), to afford the housing. Forty-five percent of HOME units have additional rental assistance attached to them, much of which likely assists ELI renters (Bolton et al., 2014). And two separate studies found that nearly 70% of ELI households living in samples of LIHTC units relied on additional rental assistance, such as vouchers (Furman Center, 2012; Bolton et al., 2014).

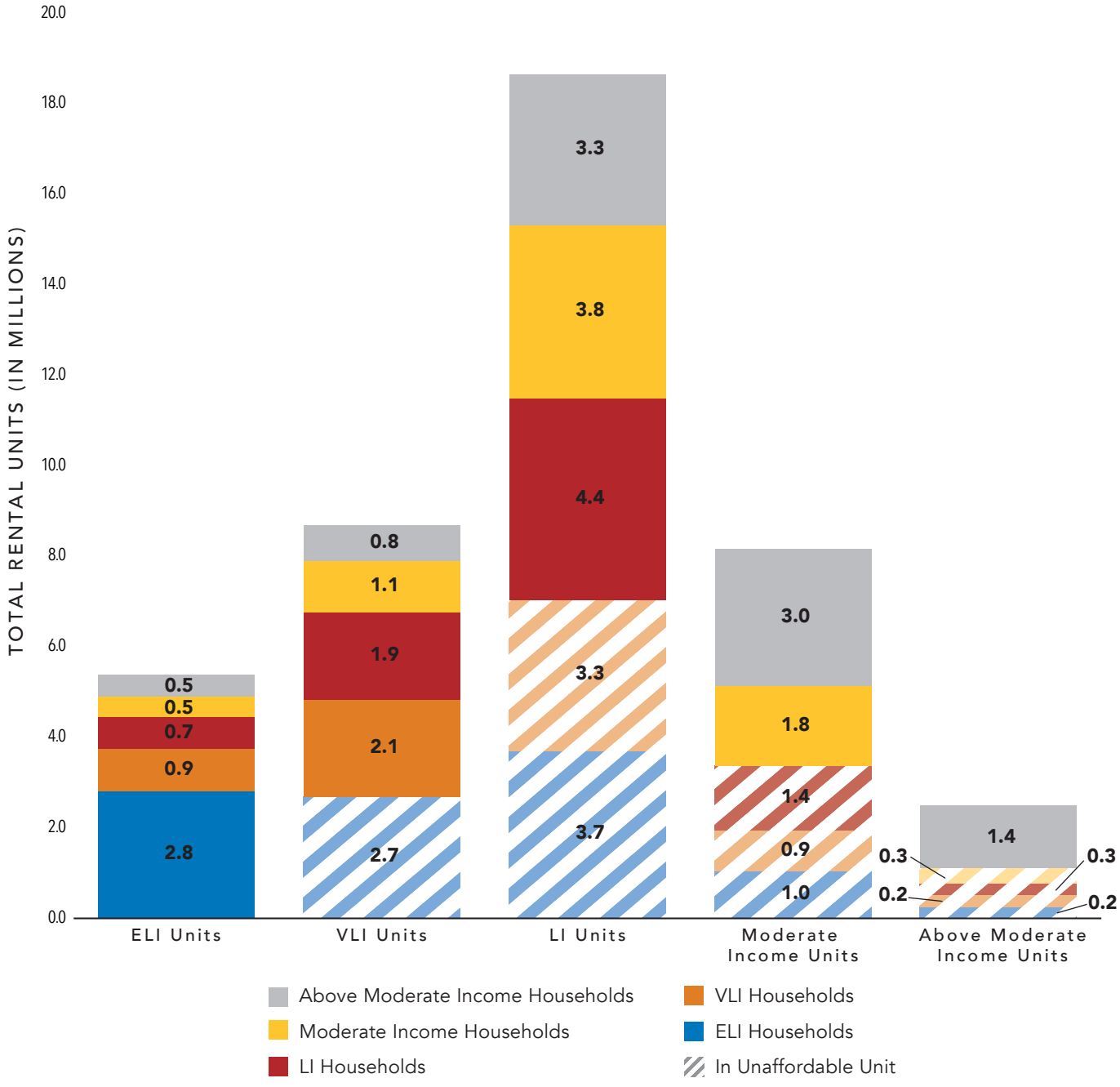
ELI households are better served by the deep subsidies provided by vouchers, Public Housing, Project-Based Section 8, Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for People with Disabilities, and Permanent Supportive Housing produced through the McKinney-Vento Homeless Assistance program. Congress must appropriate money each year for these discretionary spending programs. As discretionary spending shrinks as a portion of the federal budget,[5] there is little chance that these programs will be expanded to fully meet the need for ELI housing. While these programs are vital, additional funding beyond the annual appropriations process is necessary.

5 Based on data from Congressional Budget Office. Retrieved from https://www.cbo.gov/about/products/budget_economic_data.

CRITICAL HOUSING NEEDS: INVESTING IN THE NHTF AND ELI HOUSING

Our nation's most critical need is housing affordable and available to ELI households, who face a shortage of 7.6 million rental units, including homeless individuals and families. The NHTF was designed to focus on this need. At least 90% of the funds must be used for rental housing and at least 75% of NHTF funds for rental housing must benefit ELI households; 100% of funds must go to their benefit while the NHTF is capitalized under $1 billion a year. Furthermore, the NHTF is funded through dedicated sources of revenue, so the funds should complement rather than compete with existing federal housing programs during the

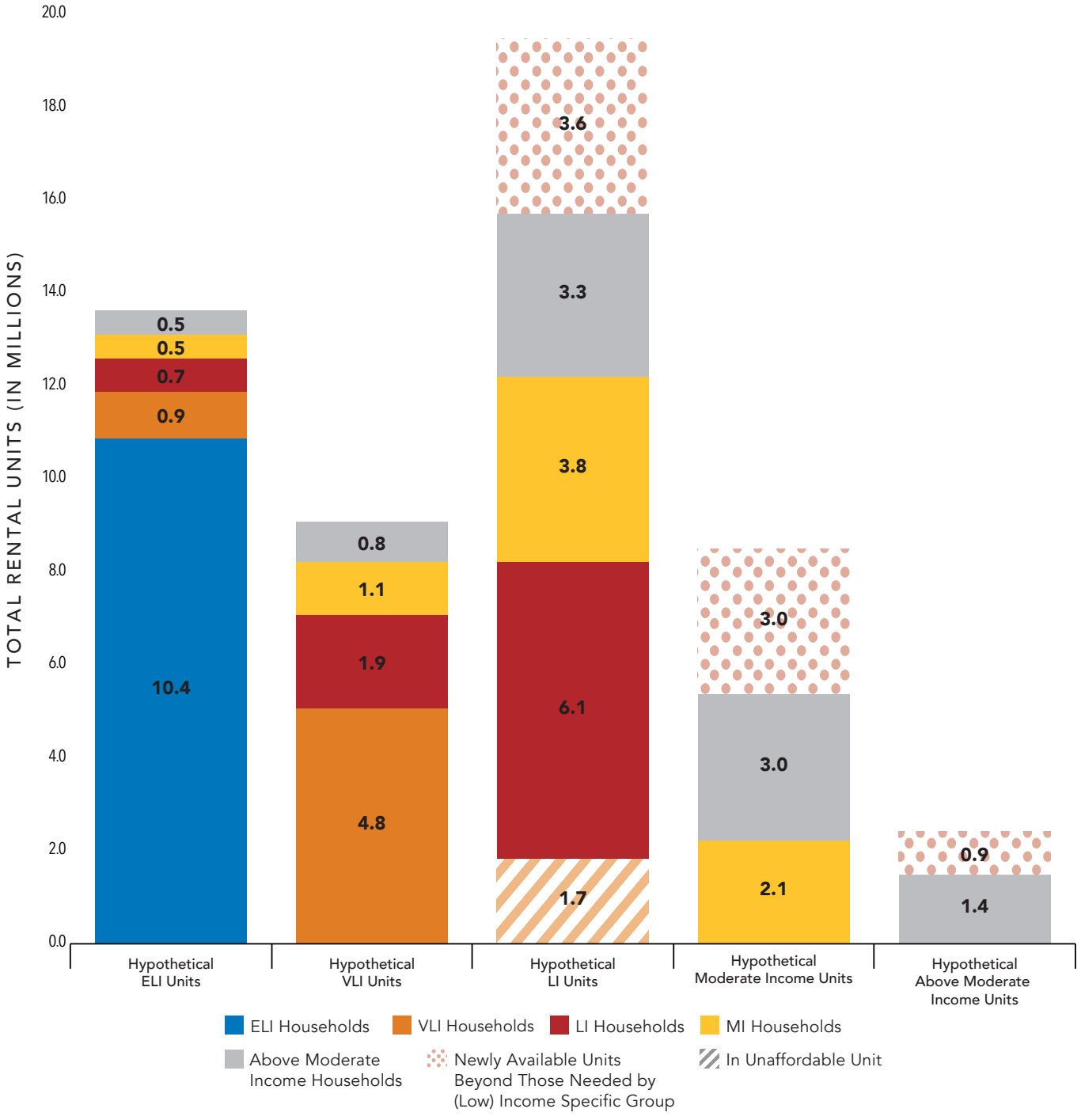
FIGURE 4: DISTRIBUTION OF HOUSEHOLD INCOME BY HOUSING RENTAL COSTS (UNITS IN MILLIONS)



appropriations process. The NHTF is currently funded by mandated contributions from Fannie Mae and Freddie Mac, based on their volume of business. NLIHC estimates approximately $173.7 million will be distributed this year. While this is a good start, efforts to reform Fannie Mae and Freddie Mac provide opportunities to increase dedicated revenue for and capitalization of the NHTF. In 2014, a housing finance reform bill (S.1217) was voted out of the Senate Committee on Banking, Housing, and Urban Affairs on a bipartisan basis that promised $3.75 billion a year for the NHTF (NLIHC, 2014).

NLIHC's United for Homes (UFH) campaign

FIGURE 5: HYPOTHETICAL DISTRIBUTION OF HOUSEHOLD INCOME BY RENTAL COSTS WITH AN ADDITIONAL 7.6 MILLION ELI UNITS



advocates for greater investment into the NHTF through reform of the federal mortgage interest deduction.[6] Mortgage holders are currently eligible to deduct from their federal taxable income the interest paid on their mortgage. The UFH campaign proposes reducing the amount of a mortgage eligible for the interest deduction from $1 million to $500,000 and converting the deduction to a non-refundable tax credit. These two reforms, phased in over five years, would generate an estimated $213 billion in new revenue for the NHTF over ten years (Lu, Rosenberg, & Toder, 2015).

Significant investment in ELI housing would eliminate or greatly reduce housing cost burdens among ELI renter households and help higher income households, as well. Of the 10.4 million ELI renter households, 7.6 million currently occupy housing above their affordability range. These rental units could become available to higher income households, if new production focused on housing to which ELI households could afford to move. Each bar in Figure 4 represents the number of rental units within a given price range, and the distribution of households occupying those units by income. Areas shaded with cross-hatches indicate households who live in units above their affordability level. Two hundred thousand ELI renter households live in rental units affordable only to households with income greater than 120% of AMI, one million live in rentals affordable to moderate income households with income between 81% and 120% of AMI, 3.7 million live in rental units affordable to LI households with income between 51% and 80% of AMI, and 2.7 million live in rental units affordable to VLI households with income between 31% and 50% of AMI.

Expanding the supply of housing affordable for ELI renters would allow 1.2 million cost burdened ELI households living in units affordable to moderate and higher income households to move to affordable housing. Their former units would become available to households who can afford them. The 3.7 million cost burdened ELI renters living in units specifically affordable to LI households could move to ELI housing, making their current units available to the 1.7 million cost burdened LI renters who currently live in units above their affordability range and unaffordable to them, plus helping another two million households looking for less expensive housing. And 2.7 million ELI renter households could move out of units affordable to VLI renters, making them available to 2.7 million cost burdened VLI renters currently living in units above their affordability level. Figure 5 represents the outcome of this hypothetical scenario.[7] This scenario shows that the benefits of expanding ELI housing extend beyond ELI households. On the other hand, producing more housing affordable for households who are higher up the income ladder would not help ELI households.

Expanding the supply of ELI affordable rental housing is necessary to close the 7.6 million unit gap, but not the only approach. When they function at their best, tenant-based vouchers allow recipients the opportunity to find and afford quality housing in a location of their choice. Recipients contribute 30% of their income toward housing costs, and the voucher pays the remainder up to the local housing authority's payment standard.

Vouchers, however, are difficult to use in tight, high demand housing markets. The payment standard for vouchers is approximately the Fair Market Rent, set at 40% to 50% of the region's highest rent, constraining recipients to neighborhoods and localities with lower housing costs. Anecdotal reports from high cost areas in California indicate that a high percentage of voucher holders transfer (or "port") their vouchers from high cost jurisdictions to less costly ones. Voucher holders face difficulty in finding suitable housing in areas with low vacancy rates where rents are higher than

6 See http://www.nlihc.org/unitedforhomes/proposal.

7 The figure excludes vacant units for the sake of simplicity. There were 0.4 million vacant ELI units, 1.3 million vacant VLI units, 1.2 million vacant LI units, and 0.7 million vacant moderate and above moderate income units.

the payment standard. Landlords can turn down voucher holders in favor of unassisted renters.

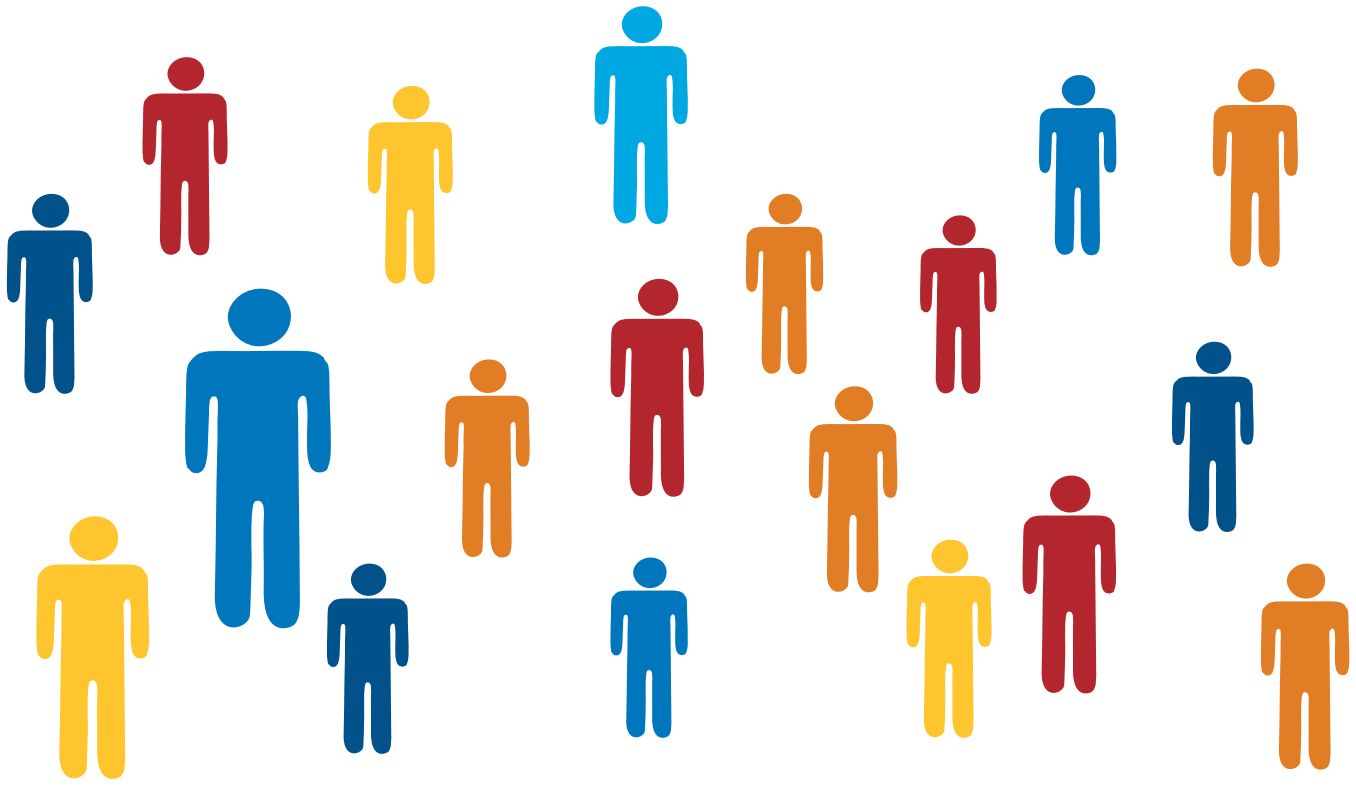
As important as vouchers are, they could be more effective in helping ELI households with important reforms. Expansion of Small Area Fair Market Rents (SAFMR) would provide greater flexibility in payment standards based on neighborhood housing markets. Regional voucher administration would enhance mobility and reduce administrative costs. Protection against discrimination based on source of income would open up many more rental units to voucher holders. Coupling cost-based vouchers with new production would stretch current voucher funding to a larger number of eligible households.

It goes without saying that preservation of the existing federally assisted housing supply that ELI households can afford is also essential. Public Housing, Section 8 Project-Based housing, housing for the elderly (Section 202) and for people who are disabled (Section 811) house nearly 1.7 million ELI households today (HUD, 2015). Permanent supportive housing for formerly homeless people (McKinney-Vento) provides stable housing to another 300,000 individuals (National Alliance to End Homelessness, 2015).

CONCLUSION

The need to expand the supply of housing affordable for ELI households is clear. They have the most severe unmet housing needs, facing significant cost burdens and a shortage of 7.6 million available units when we include homeless individuals and families.

There is reason for optimism toward reducing this shortage. The NHTF is the first new source of federal funding in over 40 years specifically dedicated to expanding the supply of affordable housing for ELI households. Given its potential to capture significant revenue streams through housing finance and tax reform efforts, the NHTF is an ideally suited tool to realign and expand federal resources to address the most critical housing needs. Moreover, expanding the supply of affordable rental housing allows ELI households to move out of their unaffordable housing, making these units available to other income groups. Simply put, federal housing policy that targets the most critical housing needs will produce net benefits for everyone.



ABOUT THE DATA

This report is based on the 2014 American Community Survey (ACS) Public Use Microdata Sample (PUMS). The ACS is an annual nationwide survey of approximately 3.5 million addresses. It provides timely data on the social, economic, demographic, and housing characteristics of the U.S. population. PUMS contains individual ACS questionnaire records for a subsample of housing units and their occupants.

PUMS data are available for geographic areas called Public Use Microdata Sample Areas (PUMAs). Individual PUMS records were matched to their appropriate metropolitan area or given non-metro status using the Missouri Data Center's MABLE/ Geocorr12 online application. If at least 50% of a PUMA was in a Core Based Statistical Area (CBSA), we assigned it to the CBSA. Otherwise, the PUMA was given non-metro status.

More information about the ACS PUMS files is available at https://www.census.gov/programs-surveys/acs/technical-documentation/pums/about.html

FOR MORE INFORMATION

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APPENDIX A: STATE COMPARISONS

States in **RED** have less than the national level of affordable and available units per 100 households at or below the ELI threshold

	Surplus (Deficit) of Affordable and Available Units		Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
State	At or below 15% AMI	At or below 30% AMI	At or below 15% AMI	At or below 30% AMI	At or below 50% AMI	At or below 80% AMI	At or below 15% AMI	At or below 30% AMI	Between 30% and 50% AMI	Between 50% and 80% AMI
Alabama	(56,193)	(95,350)	19	41	78	111	93%	75%	32%	5%
Alaska	**(5,465)**	**(16,380)**	**5**	**21**	**51**	**100**	**97%**	**73%**	**33%**	**9%**
Arizona	**(70,965)**	**(150,897)**	**13**	**21**	**56**	**103**	**92%**	**81%**	**40%**	**9%**
Arkansas	(23,863)	(47,314)	20	41	78	112	92%	74%	25%	6%
California	**(418,873)**	**(1,003,110)**	**13**	**21**	**31**	**71**	**90%**	**80%**	**51%**	**18%**
Colorado	**(61,617)**	**(124,837)**	**16**	**25**	**55**	**99**	**89%**	**76%**	**31%**	**6%**
Connecticut	(47,550)	(92,244)	23	36	65	103	82%	68%	28%	6%
Delaware	(9,804)	(16,623)	12	32	58	102	93%	78%	29%	8%
District of Columbia	(20,910)	(30,636)	30	40	67	90	73%	65%	31%	12%
Florida	**(182,615)**	**(392,474)**	**13**	**22**	**35**	**82**	**95%**	**84%**	**58%**	**17%**
Georgia	**(111,799)**	**(224,362)**	**14**	**28**	**57**	**105**	**95%**	**81%**	**37%**	**7%**
Hawaii	(11,765)	(22,005)	22	36	40	73	90%	71%	59%	30%
Idaho	**(13,901)**	**(27,178)**	**15**	**27**	**61**	**101**	**88%**	**78%**	**27%**	**5%**
Illinois	(160,083)	(306,252)	16	33	64	101	90%	73%	31%	6%
Indiana	**(69,946)**	**(135,874)**	**17**	**30**	**73**	**110**	**93%**	**77%**	**25%**	**4%**
Iowa	(28,774)	(54,739)	12	39	91	108	94%	68%	16%	3%
Kansas	(22,691)	(51,822)	16	39	80	111	92%	71%	26%	4%
Kentucky	(50,090)	(95,405)	19	38	74	106	92%	72%	24%	4%
Louisiana	(56,208)	(107,438)	16	35	61	106	95%	77%	36%	8%
Maine	(14,157)	(27,210)	20	40	65	108	94%	69%	26%	4%
Maryland	(61,694)	(120,059)	22	34	57	103	83%	74%	30%	5%
Massachusetts	(85,953)	(166,960)	29	45	62	95	75%	61%	28%	8%
Michigan	**(111,655)**	**(233,456)**	**16**	**29**	**64**	**103**	**91%**	**77%**	**27%**	**5%**
Minnesota	**(47,706)**	**(110,406)**	**25**	**37**	**78**	**104**	**83%**	**65%**	**21%**	**4%**
Mississippi	(32,940)	(51,881)	14	41	65	104	94%	75%	39%	7%
Missouri	**(70,851)**	**(126,374)**	**13**	**37**	**79**	**109**	**92%**	**74%**	**23%**	**4%**
Montana	(8,833)	(18,992)	22	41	74	105	93%	67%	27%	5%
Nebraska	(15,001)	(34,305)	21	36	83	107	90%	67%	16%	3%
Nevada	**(27,237)**	**(65,667)**	**12**	**17**	**42**	**100**	**96%**	**85%**	**40%**	**11%**
New Hampshire	(8,539)	(26,438)	20	32	61	103	80%	66%	24%	5%
New Jersey	(88,091)	(191,401)	16	31	42	89	89%	75%	47%	9%
New Mexico	**(24,823)**	**(44,394)**	**13**	**28**	**59**	**106**	**88%**	**76%**	**33%**	**9%**
New York	(293,601)	(624,688)	16	32	49	82	89%	73%	43%	12%
North Carolina	**(99,053)**	**(213,782)**	**15**	**30**	**64**	**104**	**94%**	**79%**	**34%**	**6%**
North Dakota	**(6,092)**	**(10,035)**	**39**	**64**	**93**	**106**	**76%**	**57%**	**24%**	**5%**
Ohio	(132,761)	(274,346)	25	38	80	108	86%	71%	25%	3%
Oklahoma	(36,959)	(65,888)	21	41	79	110	91%	72%	25%	4%
Oregon	**(41,754)**	**(101,776)**	**13**	**22**	**37**	**92**	**92%**	**81%**	**38%**	**9%**
Pennsylvania	(132,238)	(280,801)	17	35	68	103	91%	72%	29%	5%
Rhode Island	(15,545)	(31,845)	19	40	57	102	89%	67%	30%	8%
South Carolina	(39,990)	(80,750)	23	39	70	107	91%	76%	34%	8%
South Dakota	(7,695)	(15,682)	24	43	87	105	91%	62%	8%	3%
Tennessee	(66,061)	(135,702)	19	37	66	106	91%	72%	33%	6%
Texas	**(264,447)**	**(595,231)**	**14**	**24**	**56**	**102**	**93%**	**78%**	**31%**	**6%**
Utah	(18,890)	(38,447)	21	33	59	102	87%	72%	24%	3%
Vermont	(3,187)	(7,820)	23	53	57	97	81%	55%	32%	9%
Virginia	**(85,959)**	**(165,134)**	**20**	**30**	**54**	**100**	**88%**	**77%**	**36%**	**7%**
Washington	**(77,053)**	**(165,764)**	**20**	**29**	**54**	**96**	**83%**	**73%**	**33%**	**5%**
West Virginia	(16,885)	(26,655)	18	50	83	110	90%	68%	23%	4%
Wisconsin	**(56,491)**	**(134,840)**	**11**	**26**	**73**	**103**	**94%**	**75%**	**23%**	**5%**
Wyoming	(4,613)	(9,834)	11	41	89	109	88%	69%	19%	1%
USA Totals	**(3,415,253)**	**(7,191,503)**	**17**	**31**	**57**	**96**	**90%**	**75%**	**36%**	**9%**

Source: NLIHC Tabulations of 2014 ACS PUMS data

APPENDIX B: METROPOLITAN AREA COMPARISONS

Metropolitan areas in **RED** have less than the national level of affordable and available units per 100 households at or below the ELI threshold

	Surplus (Deficit) of Affordable and Available Units		Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
Metro	At or below 15% AMI	At or below 30% AMI	At or below 15% AMI	At or below 30% AMI	At or below 50% AMI	At or below 80% AMI	At or below 15% AMI	At or below 30% AMI	Between 31% and 50% AMI	Between 51% and 80% AMI
Atlanta-Sandy Springs-Roswell, GA	**(54,470)**	**(123,387)**	**10**	**23**	**53**	**107**	**96%**	**83%**	**38%**	**7%**
Austin-Round Rock, TX	**(27,068)**	**(55,515)**	**8**	**20**	**44**	**100**	**96%**	**82%**	**33%**	**5%**
Baltimore-Columbia-Towson, MD	(34,783)	(60,011)	23	37	64	102	81%	72%	30%	5%
Boston-Cambridge-Newton, MA-NH	(64,041)	(115,798)	32	46	60	92	71%	59%	29%	9%
Buffalo-Cheektowaga-Niagara Falls, NY	(15,916)	(32,106)	12	32	76	107	92%	74%	21%	3%
Charlotte-Concord-Gastonia, NC-SC	**(22,643)**	**(49,990)**	**13**	**30**	**63**	**104**	**92%**	**78%**	**27%**	**4%**
Chicago-Naperville-Elgin, IL-IN-WI	**(116,754)**	**(234,758)**	**16**	**29**	**56**	**99**	**90%**	**75%**	**35%**	**8%**
Cincinnati, OH-KY-IN	(24,945)	(47,486)	29	42	87	109	87%	69%	20%	3%
Cleveland-Elyria, OH	(25,853)	(55,579)	28	41	80	108	85%	72%	27%	5%
Columbus, OH	**(27,908)**	**(55,675)**	**13**	**29**	**80**	**108**	**92%**	**75%**	**37%**	**16%**
Dallas-Fort Worth-Arlington, TX	**(69,250)**	**(174,109)**	**12**	**19**	**55**	**104**	**93%**	**81%**	**29%**	**5%**
Denver-Aurora-Lakewood, CO	**(32,590)**	**(70,082)**	**19**	**24**	**51**	**98**	**88%**	**76%**	**31%**	**5%**
Detroit-Warren-Dearborn, MI	**(53,660)**	**(111,911)**	**17**	**29**	**64**	**104**	**91%**	**78%**	**29%**	**5%**
Fresno, CA	**(9,880)**	**(21,073)**	**18**	**24**	**32**	**75**	**90%**	**80%**	**56%**	**24%**
Hartford-West Hartford-East Hartford, CT	(18,834)	(33,582)	21	35	69	107	83%	70%	24%	3%
Houston-The Woodlands-Sugar Land, TX	**(59,371)**	**(152,962)**	**13**	**21**	**59**	**104**	**92%**	**77%**	**28%**	**5%**
Indianapolis-Carmel-Anderson, IN	**(22,619)**	**(48,713)**	**12**	**22**	**70**	**111**	**94%**	**81%**	**30%**	**5%**
Jacksonville, FL	**(17,029)**	**(30,281)**	**11**	**25**	**45**	**94**	**95%**	**83%**	**49%**	**12%**
Kansas City, MO-KS	(23,630)	(47,229)	15	36	81	110	92%	73%	20%	3%
Las Vegas-Henderson-Paradise, NV	**(19,442)**	**(49,743)**	**12**	**15**	**36**	**99**	**97%**	**88%**	**45%**	**13%**
Los Angeles-Long Beach-Anaheim, CA	**(146,089)**	**(382,106)**	**10**	**17**	**21**	**56**	**94%**	**84%**	**59%**	**22%**
Louisville/Jefferson County, KY-IN	(13,582)	(30,327)	17	33	71	106	88%	69%	24%	1%
Memphis, TN-MS-AR	**(17,587)**	**(33,965)**	**13**	**25**	**55**	**104**	**94%**	**81%**	**48%**	**8%**
Miami-Fort Lauderdale-West Palm Beach, FL	**(52,445)**	**(133,045)**	**13**	**21**	**24**	**57**	**93%**	**82%**	**71%**	**26%**
Milwaukee-Waukesha-West Allis, WI	**(22,004)**	**(50,824)**	**9**	**23**	**63**	**100**	**92%**	**78%**	**29%**	**6%**
Minneapolis-St. Paul-Bloomington, MN-WI	(32,074)	(78,102)	24	33	73	103	84%	68%	20%	3%
Nashville-Davidson--Murfreesboro--Franklin, TN	(17,558)	(40,319)	20	34	63	100	86%	71%	28%	7%
New Orleans-Metairie, LA	**(18,634)**	**(40,521)**	**10**	**24**	**44**	**102**	**96%**	**82%**	**45%**	**13%**
New York-Newark-Jersey City, NY-NJ-PA	(291,079)	(609,731)	15	33	41	77	89%	73%	50%	14%
Oklahoma City, OK	**(14,922)**	**(32,921)**	**18**	**29**	**75**	**109**	**94%**	**79%**	**21%**	**3%**
Orlando-Kissimmee-Sanford, FL	**(20,003)**	**(41,309)**	**5**	**15**	**24**	**80**	**100%**	**90%**	**67%**	**17%**
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	(69,273)	(152,056)	19	32	61	101	89%	75%	33%	8%
Phoenix-Mesa-Scottsdale, AZ	**(51,528)**	**(108,721)**	**12**	**18**	**55**	**103**	**92%**	**82%**	**38%**	**9%**
Pittsburgh, PA	(25,444)	(46,564)	23	46	83	104	90%	66%	21%	5%
Portland-Vancouver-Hillsboro, OR-WA	**(25,320)**	**(64,251)**	**10**	**20**	**38**	**92**	**92%**	**80%**	**31%**	**7%**
Providence-Warwick, RI-MA	(22,126)	(47,920)	16	40	64	102	90%	67%	27%	7%
Raleigh, NC	**(13,202)**	**(29,880)**	**8**	**22**	**68**	**109**	**95%**	**78%**	**24%**	**2%**
Richmond, VA	**(15,254)**	**(31,433)**	**22**	**25**	**59**	**107**	**82%**	**79%**	**34%**	**3%**
Riverside-San Bernardino-Ontario, CA	**(38,313)**	**(90,647)**	**12**	**19**	**30**	**74**	**94%**	**83%**	**53%**	**20%**
Sacramento--Roseville--Arden-Arcade, CA	**(28,428)**	**(70,911)**	**6**	**18**	**42**	**95**	**97%**	**81%**	**36%**	**8%**
San Antonio-New Braunfels, TX	**(25,449)**	**(51,218)**	**15**	**24**	**50**	**100**	**95%**	**79%**	**36%**	**9%**
San Diego-Carlsbad, CA	**(38,221)**	**(82,303)**	**9**	**17**	**25**	**71**	**95%**	**83%**	**49%**	**21%**
San Francisco-Oakland-Hayward, CA	(64,867)	(130,922)	22	33	49	85	79%	69%	37%	10%
San Jose-Sunnyvale-Santa Clara, CA	**(18,529)**	**(38,539)**	**21**	**30**	**39**	**82**	**71%**	**72%**	**38%**	**13%**
Seattle-Tacoma-Bellevue, WA	**(45,892)**	**(97,266)**	**22**	**29**	**56**	**95**	**80%**	**72%**	**28%**	**5%**
St. Louis, MO-IL	(35,017)	(60,356)	15	40	83	109	90%	69%	19%	3%
Tampa-St. Petersburg-Clearwater, FL	**(29,243)**	**(59,517)**	**12**	**21**	**36**	**90**	**96%**	**86%**	**53%**	**12%**
Tucson, AZ	**(11,103)**	**(27,645)**	**7**	**19**	**54**	**103**	**95%**	**84%**	**43%**	**8%**
Virginia Beach-Norfolk-Newport News, VA-NC	(18,610)	(35,006)	15	31	42	98	91%	78%	45%	8%
Washington-Arlington-Alexandria, DC-VA-MD-WV	**(61,723)**	**(122,011)**	**26**	**30**	**49**	**97**	**80%**	**74%**	**32%**	**7%**

Source: NLIHC Tabulations of 2014 ACS PUMS data

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