NATIONAL LOW INCOME HOUSING COALITION

Testimony of Linda Couch
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National Low Income Housing Coalition
presented to the
Senate Banking, Housing and Urban Affairs
Subcommittee on Housing, Transportation, and Community Development
U.S. Senate
"Streamlining and Strengthening HUD's Rental Housing Assistance Programs"
August 1, 2012

On behalf of the National Low Income Housing Coalition (NLIHC), I would like to thank Chair Menendez and Ranking Member DeMint for holding this important hearing. The nation's need for the programs under discussion today is growing. We greatly appreciate your leadership on HUD's rental assistance programs and your commitment to the people they are intended to assist.

The National Low Income Housing Coalition (NLIHC) 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.

Our members include nonprofit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens. NLIHC does not represent any

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sector of the housing industry. Rather, NLIHC works only on behalf of and with low income people who need safe, decent and affordable housing, especially those with the most serious housing problems. NLIHC is funded entirely with private donations.

Need for affordable housing is growing

NLIHC analysis of American Community Survey data shows there were 9.8 million extremely low income (ELI) (households with incomes less than 30% of area median) renter households in 2010 and only 5.5 million units renting at prices they could afford, resulting in an absolute gap of 4.3 million units affordable to ELI households. In 2009, this gap was 3.9 million units. Because higher income households rent some of the units that ELI households could afford, the gap of affordable and available units for ELI households in 2010 was 6.8 million[1]; in 2009, it was 6.4 million.

These numbers are equally stark at the state level. In New Jersey, there is a shortage of more than 189,000 units affordable and available to ELI households. In South Carolina, the shortage of affordable and available units for ELI households is more than 79,000.

HUD's Office of Multifamily Housing Programs/Federal Housing Administration Deputy Assistant Secretary Marie Head testified in the House in June that increased market demand for new rental housing is directly attributable to the fact that "as many as 3.9 million former homeowners have been displaced by mortgage distress and are now in the rental market," and

[1] NLIHC. *Housing Spotlight: The Shrinking Supply of Affordable Housing.* February 2012. http://nlihc.org/library/housingspotlight/2-1

the entrance of “as many as 4.3 million new renter households” into the rental housing market.[2]

One result of this influx is that the percentage of renter households paying more than half of their income on rent and utilities increased across all income groups between 2009 and 2010, with extremely low income and very low income (VLI) (households with incomes less than 50% of area median) renters most affected. Seventy-six percent of ELI renters and 36% of VLI renters had a severe housing cost burden in 2010, compared with 74% and 34%, respectively, in 2009.[3] In New Jersey, households with annual incomes below $26,607 are considered ELI; in South Carolina, households with incomes below $17,175 are.

In New Jersey, the public housing program serves more than 40,000families with an average annual income of $15,746, and the voucher program assists almost 63,000 households, with an average annual income of $15,790. In South Carolina, the state’s more than 23,000 rental assistance vouchers serve households with an average annual income of $11,000; the average annual income of the state’s 15,000 public housing households is about $10,400. Without HUD assistance, we can be assured that many of these extremely low income families would be

[2] June 7, 2012. House Financial Services Subcommittee on Insurance, Housing, and Community Opportunity hearing, “Oversight of Federal Housing Administration’s Multifamily Insurance Programs.” http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=297671

[3] NLIHC. *Housing Spotlight: The Shrinking Supply of Affordable Housing.* February 2012. http://nlihc.org/library/housingspotlight/2-1

severely cost burdened or, indeed, would join the ranks of the nation's homeless population, which totals more than 630,000 on any given night.[4]

As the National Alliance to End Homelessness' annual *State of Homelessness in America 2012* pointed out in January of this year, "Homelessness is a lagging indicator, and the effects of the poor economy on the problem are escalating and are expected to continue to do so over the next few years."[5] It is NLIHC's hope that improvements made to HUD's housing programs by broad authorizing legislation will result not only in efficiencies that increase the number of households served, but also in greater Congressional support so that homelessness can be prevented and ended in the United States.

NLIHC held a summit of voucher stakeholders in 2005, in response to upheaval in the housing choice voucher program instigated in the spring of 2004 by a flawed allocation by HUD of otherwise adequate voucher renewal funding. This left many agencies with insufficient funds and ultimately caused the loss of more than 100,000 vouchers nationwide. Sixty-six people attended, including voucher holders and representatives from advocacy groups, public housing agencies and their trade groups, affordable housing developers, housing finance agencies, HUD, the Office of Management and Budget, financial institutions and congressional policy and appropriations staff from the House and Senate and both sides of the aisle.

[4] State of Homelessness in America 2012. National Alliance to End Homelessness. Washington, DC. http://www.endhomelessness.org/content/article/detail/4361/
[5] Ibid.

Many of the recommendations made by those at the voucher summit have been included in various iterations of the Section 8 Voucher Reform Act, the Section 8 Savings Act, and the Affordable Housing and Self-Sufficiency Improvement Act. These include recommendations regarding income targeting, rent simplification, portability, inspections, project-based vouchers and enhanced vouchers.

As we did in 2005, we continue to believe there are many reasons for Congress to enact broad housing reforms. Since 2005, Congress has worked on various versions of the Section 8 Voucher Reform Act, the Section 8 Savings Act, and the Affordable Housing and Self-Sufficiency Improvement Act. The HUD programs we come together to talk about today are critical to meeting the needs presented by these data. The housing choice voucher, project-based Section 8 and public housing programs are all deeply income targeted and all provide housing stability even if individual household incomes fluctuate with changing circumstances.

In the fall of 2011, NLIHC worked with other national organizations to coordinate a letter, signed by more than 810 local and national organizations, urging the Senate Committee on Banking, Housing and Urban Affairs to act expeditiously on housing reform legislation. "The savings and efficiencies created by this good government bill are needed as soon as possible," the letter said.[6]

[6] See letter and NLIHC press release, "Advocates Urge U.S. Senate to Act Now on Voucher Reform Legislation." September 21, 2011. http://nlihc.org/press/releases/9-21-11

We are encouraged by this hearing and hope legislation can be enacted this year that:

- **Improves the programs from the perspective of assisted households.**
- **Results in savings and efficiencies.**
- **Stabilizes voucher renewal funding.**

Legislation that Improves the Programs from Perspective of Assisted Households

NLIHC supports several policy changes that would improve the programs:

- Encourage increased earned income while maintaining Brooke.

Upon increases in earned income, NLIHC supports reforms so that most families would not have to recertify their incomes in between annual income certifications. This would allow families to hold on to 100% of their increased earned income until their next annual income certification. PHAs and owners, under various versions of the legislation, would base rents on prior year income. Again, this could encourage increased earned income by residents.

Early versions of housing reform legislation would expand the now-narrow Earned Income Disregard to all tenants, allowing the first 10% of earned income to be disregarded for purposes of establishing household rents. Unfortunately, and for cost reasons, that provision has not been in recent versions of the housing reform bill and the existing, limited Earned Income Disregard for some residents is eliminated. NLIHC supports expanding the Earned Income Disregard.

Any housing reform legislation should also revise the frequency of income re-certifications for families on fixed incomes. NLIHC supports provisions that would require families on fixed incomes to recertify their incomes once every three years, instead of annually as is now the case. This could lead to less paperwork for fixed income households, and administrative savings for PHAs and owners.

Critically, these simplifications to the rent-setting process can be enacted without jeopardizing the Brooke Amendment, named after former United States Senator Edward Brooke (R-MA). The Brooke Amendment caps tenant rents at a percentage of adjusted income, today 30%, while continuously connecting each household's rent to its own income. This ensures affordability and housing stability for each household. If we cannot rely on every household's rent being affordable, then there is little value in any housing assistance program.

- Payment standard for people with disabilities.

To reduce administrative tasks as well as improve the effectiveness of the voucher program for people with disabilities, NLIHC supports provisions giving PHAs the authority to increase the payment standard to 120% without having to seek HUD approval as a reasonable accommodation to persons with disabilities.

- Expanding affordable rental stock by improving project-basing of vouchers

NLIHC supports provisions that have been in most versions of housing reform legislation that would improve how vouchers could be project-based into properties, allowing otherwise unaffordable units to meet the affordable housing needs of the lowest income households.

There are several provisions to improve the project-basing of vouchers, all of which NLIHC supports including in any housing reform bill:

1. Changing the limitation on vouchers that can be project-based from 20% of an agency's voucher funding to 20% of an agency's authorized vouchers.
2. Allowing a PHA to use an additional 5% of authorized vouchers to serve persons with disabilities, elderly households or homeless populations or be used in areas where vouchers are hard to use.
3. Increasing the number of units a PHA can provide with project-based voucher assistance in smaller properties.
4. Increasing the maximum contract term for project-based vouchers from 15 to 20 years.

Improvement to the project-basing of vouchers can help programs like the Low Income Housing Tax Credit (LIHTC) serve more extremely low income households in an affordable way. Without additional subsidies, often in the form of a Housing Choice Voucher, Low Income Housing Tax Credit units are simply not affordable to extremely poor households. Vouchers, and project-based vouchers, ensure stable housing as a family's income fluctuates. Doubling up federal subsidies in LIHTC units by adding a voucher makes these units affordable for the households with the greatest housing needs in the United States. Without additional subsidy, the nation's largest subsidized affordable housing program is simply not affordable or viable for ELI households.

Recent research[7] from data collected per the Housing and Economic Recovery Act of 2008 reveals that there are indeed ELI households served by the LIHTC program, about 43% of units assisting such households.

It appears, however, based on data provided by the same report, that without rental assistance these extremely poor households are paying more than half their incomes for their housing costs, thus meeting HUD's definition of households with "severe housing cost burden." The data presented by the report show that 31% of ELI renters in LIHTC units receive no rental assistance, Housing Choice Vouchers or otherwise. The report also presents data that fully 30.6% of ELI households in LIHTC units are severely cost burdened, paying more than half of their income for rent in these units. Voucher assistance attached to these units through the project-basing of vouchers, or provided to these tenants directly with housing choice vouchers, brings housing affordability and stability to these households.

- Other provisions to improve the programs from the perspective of assisted households.

NLIHC also supports including provisions from past housing reform bills that would direct HUD to develop new portability regulations that minimize billing and administrative barriers to portability, provide public housing agencies and HUD with tools to address excessive rent burdens as well as concentrations of vouchers in higher-poverty areas by adjusting payment standards, and allow vouchers to pay for home payment (since the Quality Housing and Work

[7] O'Regan, Katherine O. (NYU Wagner Graduate School and Furman Center) and Keren Horn (University of Massachusetts Boston). *What Can We Learn about the Low Income Housing Tax Credit Program by Looking at the Tenants?* July 1, 2012. http://nlihc.org/sites/default/files/LIHTC_Tenant_Report_2012.pdf

Responsibility Act, vouchers only pay for rental of land). All of these provisions will improve people's access to their communities of choice.

Legislation that Results in Savings and Efficiencies

- Overall savings.

Any version of housing reform legislation saves federal resources, ranging from around $700 million to $1 billion over five years. These are tremendous savings, the vast majority of which are uncontroversial.

- Definition for deep income targeting.

A major source savings from any housing reform bill would be a change to how targeting of assistance to extremely low income households could be carried out. Today, these large HUD programs must target a certain percent of new housing assistance each year to extremely low income households. NLIHC supports reforms that would expand this deep income targeting category to be the greater of households with incomes below 30% of area median income (extremely low income) or the federal poverty line. This will help target assistance to very poor households in rural areas, where incomes overall are low.

- Rent simplifications.

In addition to the rent simplification provision discussed above, requiring fixed income households to recertify incomes every three years instead of annually, housing reform legislation can do much to simplify the rent setting process. NLIHC also supports the ability of

PHAs and owners to rely on other federal means-tested assistance programs, including the Supplemental Nutrition Assistance Program, to verify tenant income.

Simplifying the deduction of medical and related expenses has long been a goal of housing reform legislation. Raising the percent of income that must be exceeded before unreimbursed medical or related expenses are deducted from income is one way that versions of housing reform legislation have simplified the complicated rent-setting process. As the House and Senate have always supported, any such increase in the threshold for deducting expenses must be coupled with an increase in the standard deduction for elderly families and families with disabilities. Hardship provisions to protect households with outlier medical expenses are also good policy.

- Create efficiencies; do not weaken accountability.

NLIHC is interested in balancing efforts to create efficiencies with retaining the programs' accountability, both to local communities and to Congress and HUD. While efficiencies can bring savings through reduced program costs, we urge caution when considering exempting agencies from standards HUD and Congress use today to measure public housing agency performance. Even exempting the smallest agencies, as some housing authority groups support, from many Section 8 Management Assessment Program indicators would remove accountability on key indicators like accuracy of payment standard calculations, use of all available vouchers and expansion of housing choice from agencies that administer a tenth of the nation's vouchers. Congress's understanding of how the voucher program, under such circumstances, was actually meeting the nation's housing needs would be incomplete if such reforms were enacted. NLIHC believes that such changes would put rental assistance programs at risk of reduced funding in the future as Congress's understanding of their use and impact fade.

Legislation that Stabilizes Voucher Renewal Funding

- Voucher Renewal Funding.

The need for clear direction to HUD on the allocation of voucher renewal funding was a primary reason for the development of this legislation several years ago. The viability and credibility of the voucher program is rooted in a stable, sufficient and reliable voucher renewal funding policy. NLIHC supports authorizing language whereby the annual appropriation of each agency administering vouchers is based on actual leasing and cost data from the last calendar year, with various adjustments, including for tenant-protection, project-based and ported vouchers. NLIHC also supports policies that would support agencies' over-leasing of vouchers.

NLIHC supports offset and reallocation policies that will bring additional stability to the program. Offset policies in previous versions of housing reform legislation, supported by NLIHC, would allow HUD to offset a PHA's voucher allocation by the amount its reserves exceeded 6%. The HUD Secretary would then be authorized to use these offsets for a variety of purposes, including for increased costs due to portability, significant increases in voucher renewal costs resulting from unforeseen circumstances and reallocating to PHAs to avoid or reduce any pro-rations of renewal funding.

NLIHC also supports an advance mechanism to PHAs that could act as a safeguard for agencies that experience a temporary shortfall in funds. NLIHC supports provisions that allow a PHA to request, during the last quarter of the calendar year, up to 2% of its allocation to pay for additional voucher costs, including costs related to temporary over leasing. NLIHC believes that this will give some PHAs the assurance they need to increase their voucher utilization rates. These advances would have to be repaid and could not occur in two consecutive years.

Minimum Rents

NLIHC does not believe that increasing minimum rents is needed to create a robust housing reform bill. The latest House draft bill is an improvement over earlier versions, especially because it would greatly improve hardship exemptions from minimum rents for households and because it offers housing agencies and owners the ability to have minimum rents lower than the bill's $69.45 a month for good cause.

The House's latest proposal impacts households with incomes of less than $2,800 a year. While it may seem hard to imagine that there are households with incomes so low, the reality is that these households exist and the programs keeping them off the street, out of the back seats of cars at night and out of shelters, are HUD's voucher, public housing and project-based Section 8 programs. NLIHC supports the House draft bill's improvements to hardship exemptions. We continue to oppose any increase in minimum rents, which by definition only impact the lowest income households.

NLIHC was shocked and disappointed that the Administration requested increased minimum rents in its FY13 budget request, which it said could generate $150 million in revenue. "The Budget Control Act created spending limits that are so unworkable that the federal government is reduced to picking the pockets of the poorest of the poor. It is Scrooge-like," NLIHC's President and CEO Sheila Crowley said in a press release on February 13. [8]

Bigger Reforms in the Future

NLIHC also supports additional policy proposals to improve the voucher program. We are very pleased that HUD is moving forward with its Small Area Fair Market Rent (SAFMR) demonstration. The SAFMR demonstration project will determine FMRs at the ZIP code level, so payment standards will more closely reflect local market conditions and rents by neighborhood. As noted in a 2012 NLIHC paper, *Affordable Housing Dilemma: the Preservation vs. Mobility Debate*, "Going to small area FMRs would cause 'such a redistribution of poor people over time in metro areas, because there's so many rental units that would be accessible all of a sudden that aren't accessible now.'"[9] HUD will conduct an evaluation of the demonstration program to determine if using SAFMRs will increase neighborhood choice for program participants and increase program efficiency overall. NLIHC is eager to see HUD's evaluation of the SAFMR demonstration. We are confident that the results will show that the use of SAFMRs should be adopted nationwide.

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[8] NLIHC. Press release: "President's Budget Request Creates Grim Outlook for Low Income Housing." February 13, 2012. http://nlihc.org/press/releases/2-13-12

[9] NLIHC. *Affordable Housing Dilemma: the Preservation vs. Mobility Debate*. May 2012. http://nlihc.org/library/other/periodic/dilemma

Another potential bright spot in the nation's ability to simplify the administration of vouchers is to encourage PHAs to join forces and regionalize voucher administration. Regionalizing voucher administration, as has been done in several communities across the country, will result in greater housing choice for tenants and greater program efficiencies for administrators. Voucher holders in the metropolitan Washington, D.C. area, for example, are restricted from moving freely within our housing market because of PHA geographic boundaries. What makes the most sense is for the jurisdiction of the voucher administrator to match the jurisdiction of the overall housing market. The voucher program does not naturally do that today, but it should in the future.

NLIHC also supports creating federal source of income laws, which would basically prohibit a landlord or property manager from denying housing to a prospective tenant because of precisely how they would pay their rents, or the source of their income. According to the Poverty & Race Research Action Council (PRRAC), 13 states and dozens of cities have some version of source of income protections.[10] Federal source of income protections could expand the properties and communities where voucher holders can chose to live. According to an analysis of research on discrimination in the voucher program in this same report, PRRAC notes that discrimination against voucher holders contributes to peoples' inability to use rental assistance vouchers in their neighborhoods of choice.

[10] Poverty & Race Research Action Council. *Keeping the Promise: Preserving and Enhancing Housing Mobility in the Section 8 Housing Choice Voucher Program.* March 2011. http://prrac.org/pdf/AppendixB-Feb2010.pdf

A real breakthrough would be to make assistance from the housing choice voucher program an entitlement to those households eligible for it, or at least for certain populations. Today, the only housing entitlement programs are for homeowners, and the vast majority of those resources assist high income households. Moving the voucher program into the world of entitlements, at least for certain populations, would demonstrate real commitment by Congress that everyone has a right to safe, decent and affordable housing.

Moving to Work

No discussion of housing reform legislation would be complete without consideration of the Moving to Work (MTW) demonstration program. The demonstration, authorized in 1996, has been an exercise in broad regulatory and statutory flexibility for a few dozen housing agencies and in growing frustration for groups like NLIHC, which seek to advance housing solutions for the lowest income people. The frustration comes from the inability of NLIHC, or any other entity, to know what the impacts of these broad statutory and regulatory flexibilities have been on the current and future low income residents of these housing authorities, and on the physical and financial health of these housing authorities. Yet, housing agencies continue to seek participation in the MTW program, hopeful that participation will bring salvation from years of chronic underfunding in the public housing operating and capital funds and voucher administrative fees.

NLIHC joined several national organizations and HUD early this year to see whether a compromise could be reached on MTW, a compromise acceptable enough to all that broader housing reform legislation could move forward. This "stakeholder" group did eventually turn months of hard decisions and compromises into an agreement on MTW expansion, which was included in the April 13 version of the House's draft Affordable Housing and Self Sufficiency Improvement Act.

The stakeholder agreement on MTW would allow up to 500,000 units administered by high-capacity PHAs to be included in a "basic" MTW program. Units in basic MTW would have the flexibility to streamline administrative procedures. Up to 25 agencies could also participate in an "enhanced" MTW program, which would have the ability to implement harmful policies, like rent reform, work requirements and time limits only if doing so is part of rigorous evaluation protocols. For all, income targeting, resident rights and housing affordability would be protected to a significantly greater extent than in the current demonstration sites.

While NLIHC has agreed to this carefully crafted version of MTW expansion, history shows that MTW expansion has resulted in the stalling of housing reform legislation for years. NLIHC would strongly support moving forward with voucher reform legislation without an MTW title. MTW legislation could be considered separately, while the significant savings and efficiencies of a broader housing reform bill could be taken advantage of now.

Some versions of housing reform legislation, including the most recent House draft, have included other demonstrations as well (i.e., a rent policy demonstration and an economic security demonstration). HUD is already conducting a rent policy demonstration and should not need additional authority to complete this work. The goals of the economic security demonstration, and its cost of $25 million, could be brought into whatever form the MTW demonstration eventually takes, taking on all the protections for current and future residents, evaluation components, and size and duration limitations of MTW that would be necessary to test hypotheses while protecting people and assets. NLIHC opposes these additional, stand-alone demonstrations.

National Housing Trust Fund

While enactment of housing reform legislation would generate hundreds of millions in savings in the near future, NLIHC also encourages members of this Subcommittee to support capitalization of a National Housing Trust Fund, which Congress authorized in 2008. The National Housing Trust Fund, coupled with the stabilization of HUD's rental assistance programs by housing reform legislation, could end homelessness in the United States. Each state has a shortage of affordable and available units for ELI households. Housing reform legislation could stabilize existing programs and give Congress the assurance that these highly-efficient programs deserve more federal resources. But, we also need to dramatically increase the actual number of units affordable to ELI households. The National Housing Trust Fund is the mechanism to accomplish this. NLIHC looks forward to working with the Senate on ways to capitalize the NHTF.

Thank you for considering our testimony.

NATIONAL LOW INCOME HOUSING COALITION

STATE HOUSING PROFILE

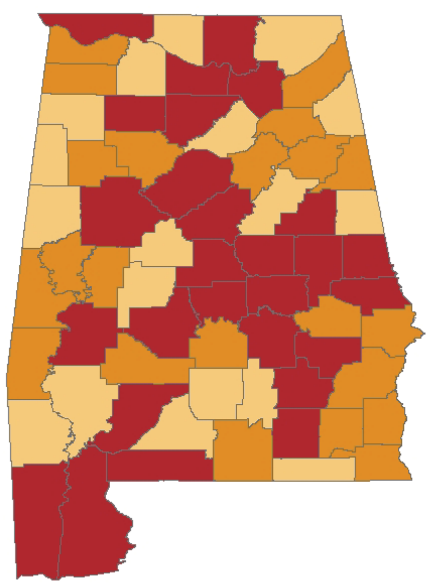
ALABAMA

Senators: Jeff Sessions and Richard C. Shelby

Many renters in Alabama are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

Last updated: 7/26/12

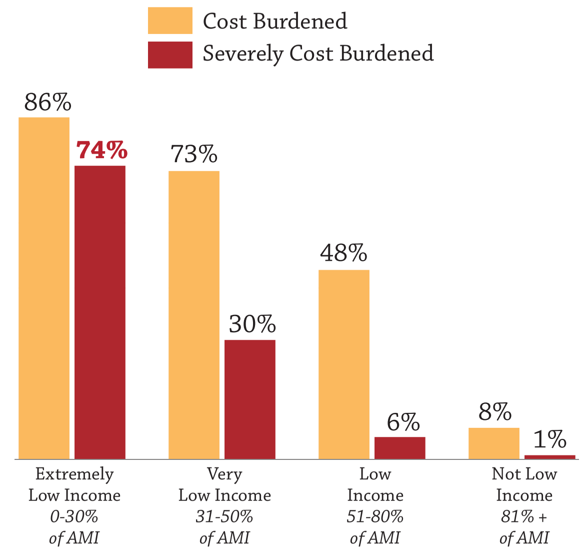
AFFORDABLE & AVAILABLE UNITS FOR ELI RENTER HOUSEHOLDS



Source: NLIHC tabulations of 2005-2009 Comprehensive Housing Affordability Strategy (CHAS) data.

HOUSING COST BURDEN BY INCOME GROUP

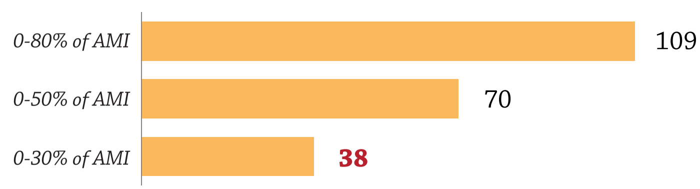
Households spending more than 30% of their income on housing costs and utilities are *cost burdened*; those spending more than half of their income are considered *severely cost burdened*.



Source: NLIHC tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) housing file.

HOUSING SHORTAGE BY INCOME THRESHOLD

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households.



Source: NLIHC tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) housing file.

KEY FACTS

30%
of all households in this state are renters

144,718
OR
27%
of renter households are extremely low income

89,840
Shortage of units affordable and available for extremely low income renters

$12.50
State Housing Wage
The amount a renter household needs to earn per hour to afford a two-bedroom unit at the 2012 HUD-determined Fair Market Rent

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NEW JERSEY

Senators: Frank R. Lautenberg and Robert Menendez

Many renters in New Jersey are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

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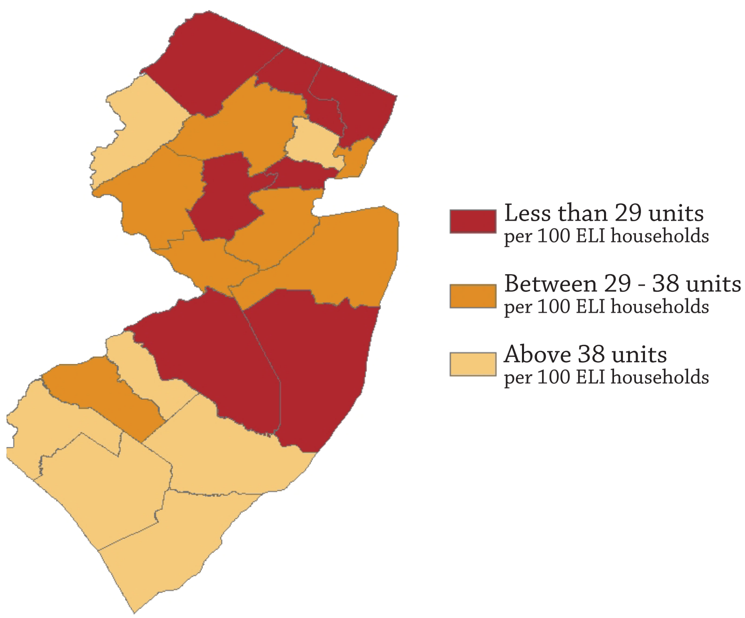

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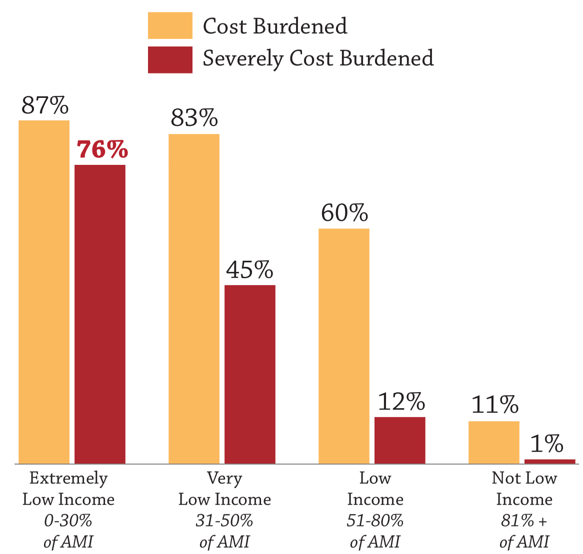

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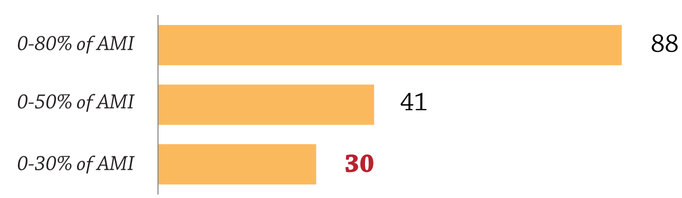
HOUSING SHORTAGE BY INCOME THRESHOLD

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households.



Source: NLIHC tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) housing file.

KEY FACTS

34%
of all households in this state are renters

268,149
OR
25%
of renter households are extremely low income

189,044
Shortage of units affordable and available for extremely low income renters

$25.04
State Housing Wage
The amount a renter household needs to earn per hour to afford a two-bedroom unit at the 2012 HUD-determined Fair Market Rent

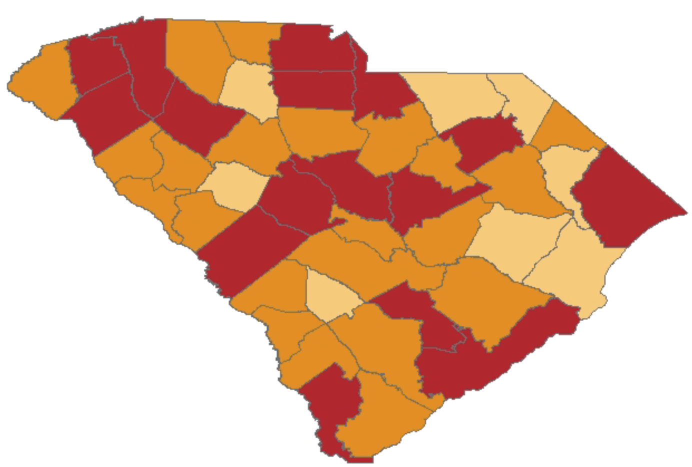
SOUTH CAROLINA

Senators: Jim DeMint and Lindsey Graham

Many renters in South Carolina are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

Last updated: 7/26/12

AFFORDABLE & AVAILABLE UNITS FOR ELI RENTER HOUSEHOLDS



Less than 45 units per 100 ELI households
Between 45 - 67 units per 100 ELI households
Above 67 units per 100 ELI households

Source: NLIHC tabulations of 2005-2009 Comprehensive Housing Affordability Strategy (CHAS) data.

HOUSING COST BURDEN BY INCOME GROUP

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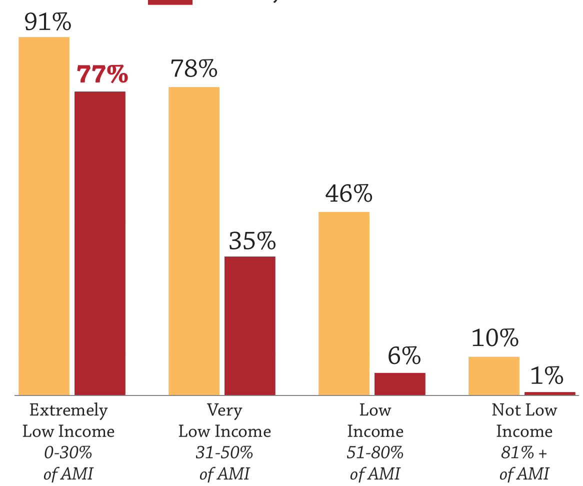

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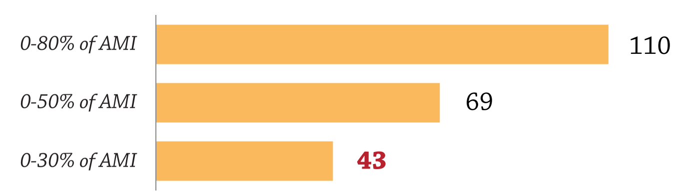
HOUSING SHORTAGE BY INCOME THRESHOLD

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households.



Source: NLIHC tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) housing file.

KEY FACTS

31%
of all households in this state are renters

139,559
OR
25%
of renter households are extremely low income

79,881
Shortage of units affordable and available for extremely low income renters

$13.43
State Housing Wage
The amount a renter household needs to earn per hour to afford a two-bedroom unit at the 2012 HUD-determined Fair Market Rent

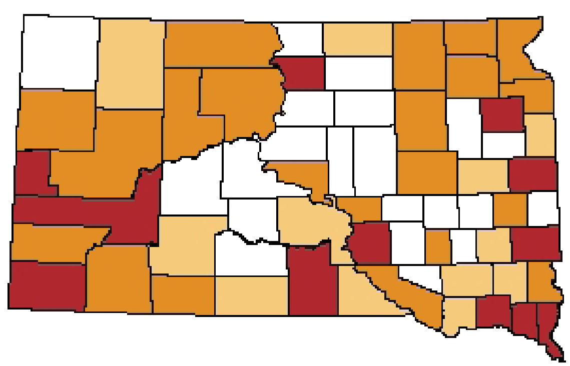
SOUTH DAKOTA

Senators: Tim Johnson and John Thune

Many renters in South Dakota are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

Last updated: 7/26/12

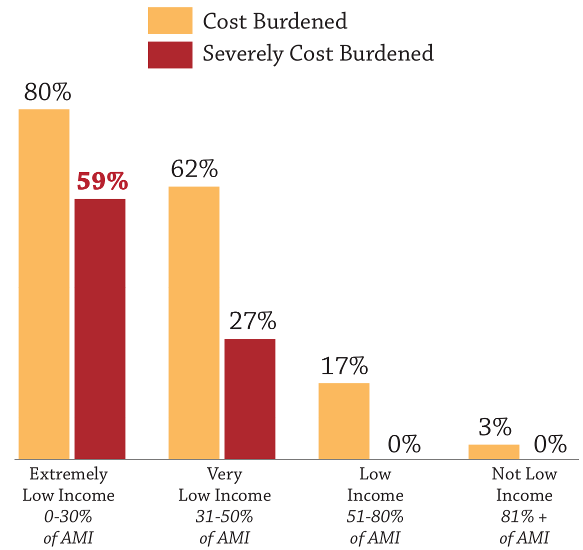
AFFORDABLE & AVAILABLE UNITS FOR ELI RENTER HOUSEHOLDS



Source: NLIHC tabulations of 2005-2009 Comprehensive Housing Affordability Strategy (CHAS) data.

HOUSING COST BURDEN BY INCOME GROUP

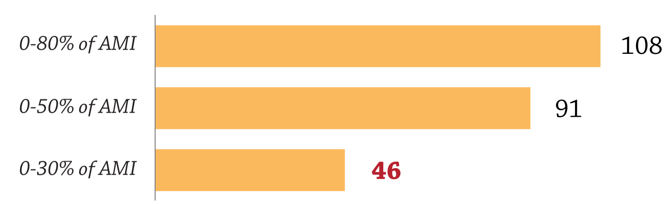
Households spending more than 30% of their income on housing costs and utilities are *cost burdened*; those spending more than half of their income are considered *severely cost burdened*.



Source: NLIHC tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) housing file.

HOUSING SHORTAGE BY INCOME THRESHOLD

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households.



Source: NLIHC tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) housing file.

KEY FACTS

32%
of all households in this state are renters

28,980
OR
29%
of renter households are extremely low income

15,660
Shortage of units affordable and available for extremely low income renters

$11.52
State Housing Wage
The amount a renter household needs to earn per hour to afford a two-bedroom unit at the 2012 HUD-determined Fair Market Rent