

OVERVIEW

In District of Columbia, the rental housing crisis is primarily caused by a severe shortage of homes affordable and available to renters with the lowest incomes and the gap between low incomes and the high cost of housing. To address the housing and homelessness crisis in District of Columbia and across the nation, Congress must build and preserve rental homes affordable to households with the lowest incomes, ensure rental assistance is universally available, create permanent tools to prevent evictions and homelessness, and strengthen and enforce renter protections. Learn more about solutions at nlihc.org/housed.

SEVERE HOUSING SHORTAGE

In District of Columbia, only **32** rental homes are affordable and available for every 100 extremely low-income households.

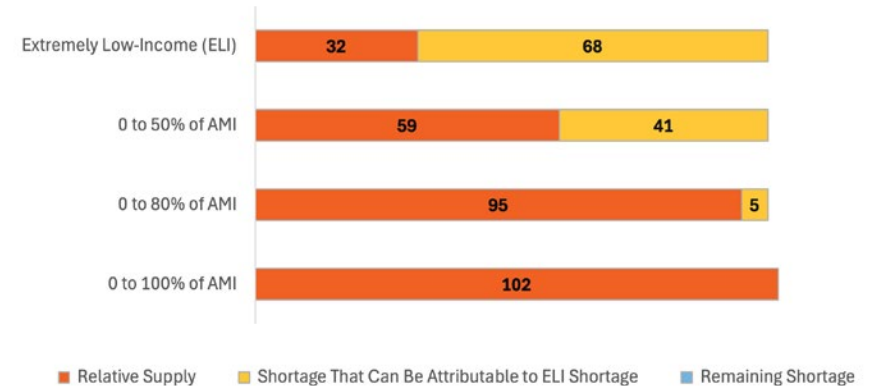
District of Columbia needs to make **37,000** more homes affordable for extremely low-income households by expanding access to rental assistance and building deeply affordable rental homes.

In District of Columbia, the shortage of affordable rental homes primarily stems from the lack of homes for extremely low-income households, whose incomes are at or below the federal poverty guideline or 30% of their area median income (AMI) – whichever is greater. Developers and landlords in District of Columbia often cannot build or operate rental homes at prices affordable to these households because what they can afford to pay for rent is not enough to cover the costs to build and operate these properties. To be most effective, public investments to increase housing supply should be targeted to address this market failure by building affordable homes that the private sector cannot provide on its own.

SOLUTION

Congress must provide significant resources to build and preserve homes affordable to renters with the lowest incomes through investments in public housing and the national Housing Trust Fund. Other federal housing resources, including the Low Income Housing Tax Credit, should be reformed to better address the underlying market failure that results in the rental housing shortage for these households. Congress also should encourage states and local communities to reform zoning and land use regulations that prevent housing from being built and push up housing costs.

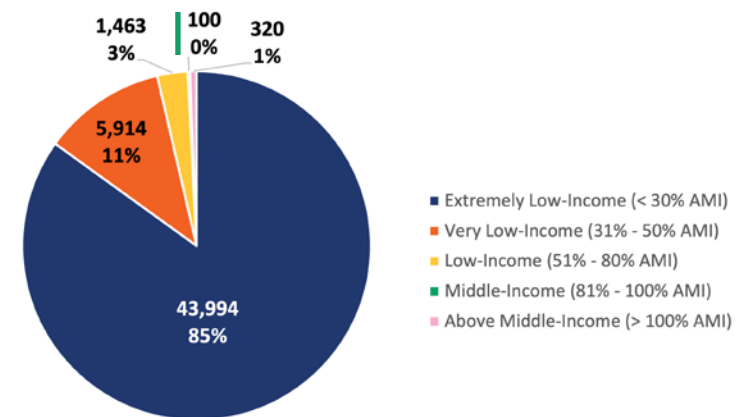
Shortage of Housing By Income Group



Note: AMI = Area Median Income. Source: 2023 ACS PUMS.

Extremely Low-income Renters Make Up Majority of Severely Cost-burdened Renters

Severely Cost Burdened Renter Households by Income, 2023



Note: A household is considered severely cost-burdened when it spends more than 50% of its income on housing costs. Source: 2023 ACS PUMS.

GAP BETWEEN INCOMES AND HOUSING COSTS

While many communities in District of Columbia have a sufficient supply of rental homes overall, these homes are typically too expensive for renters with the lowest incomes. Seniors and people with disabilities live on fixed incomes that do not keep up with rising housing costs, and wages for many workers are too low to afford existing rental homes, even in communities that have raised the minimum wage. Because of high housing costs, these renters are always one financial shock away from the risk of eviction, and in the worst cases, homelessness.

In District of Columbia, a full-time worker must earn an hourly Housing Wage of \$39.33 to afford the average Fair Market Rent (FMR) for a two-bedroom rental home in the state (\$2,045). To afford this rent and utilities - without paying more than 30% of income on their home - a household must earn \$81,800 annually. The Housing Wage assumes the individual works 40 hours per week for all 52 weeks of the year.

Impact on District of Columbia's Minimum Wage Workers

A minimum wage worker would need to work:

79 hours/week or 2 full-time jobs to afford a 1-bedroom apartment at FMR.	90 hours/week or 2.2 full-time jobs to afford a 2-bedroom apartment at FMR.
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\$44,980 Average income limit for 4-person extremely low-income household.

\$81,800 Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

Median Hourly Wages for Common Occupations

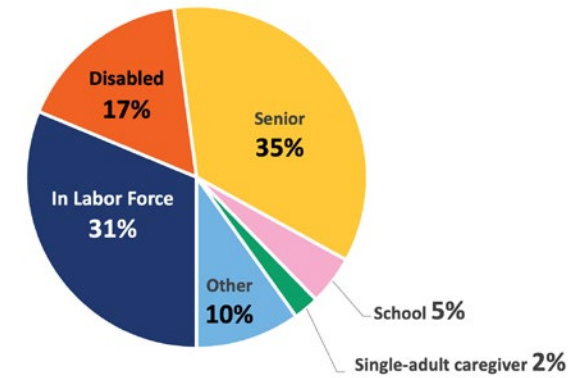
Fast Food Workers	\$18.22
Home Health / Personal Care Aides	\$18.22
Janitors	\$18.55
Nursing Assistants	\$22.76
Retail Salespersons	\$18.41

SOLUTION

Congress must bridge the gap between incomes and housing costs by expanding rental assistance so that it is universally available to all eligible households or consider other innovative approaches, such as a fully refundable renters' tax credit. Congress should prevent evictions and homelessness by creating permanent tools, such as emergency rental assistance, to help stabilize families in crisis.

Take action to help end our housing and homelessness crisis at nlihc.org/take-action.

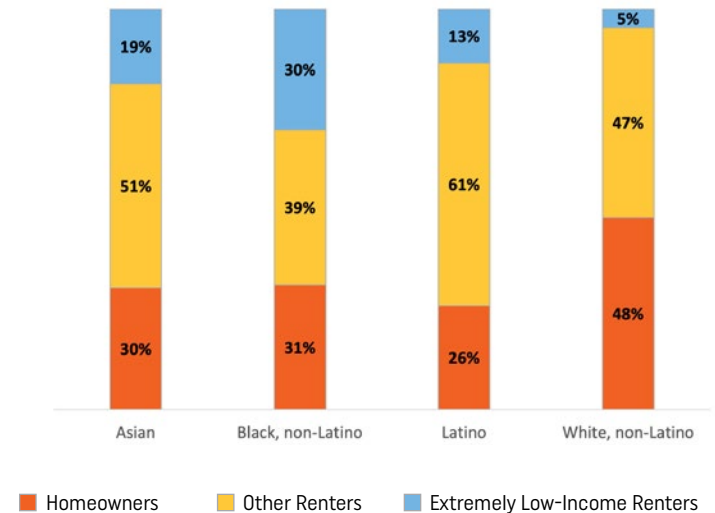
Extremely Low Income Renter Households



Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Nationally, 13% of extremely low-income renter households are single-adult caregivers, 53% of whom usually work more than 20 hours per week. Source: 2023 ACS PUMS.

Non-white Households and Latino Households Often Are More Likely Than White Households to Be Renters with Extremely Low Income

Share of Households by Tenure



Source: 2023 ACS PUMS.