

## EXPAND AND PRESERVE THE SUPPLY OF AFFORDABLE RENTAL HOMES

**A**n underlying cause of America's housing crisis is the severe shortage of rental homes affordable to people with the lowest incomes. Nationally, there is a shortage of [7.3 million homes](#) affordable to households with extremely low incomes, including many seniors and people with disabilities living on a fixed income and workers earning low wages.

For every 10 extremely low-income renters, there are fewer than 4 homes affordable and available to them. There is no state in America that has enough rental homes for its lowest-income residents.

The shortage of rental homes affordable to extremely low-income households is caused by market failure; the private sector cannot – on its own – build and maintain homes affordable to the lowest-income renters without public subsidies.

The shortage of affordable homes disproportionately harms people of color, who are more likely to have extremely low incomes and struggle to pay rent. Because of ongoing racial segregation, Black and Latino children are more likely to live in substandard housing and in disinvested communities without access to good-performing schools, healthcare, or other opportunities. Because so few rental homes are accessible, people with disabilities struggle to find affordable homes that meet their needs.

Increasing the supply of deeply affordable housing in all communities not only helps the lowest-income people, but it can also alleviate rent pressure on those with higher incomes. Millions of the lowest-income renters have no choice but to rent homes they cannot afford, with most paying more than half their limited income on rent. By increasing the supply of affordable, accessible rental housing for those with the lowest incomes, we can help these renters to move into homes they can afford, freeing up their original apartments for renters who can better afford them.

### Federal Solutions

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To increase and preserve the supply of affordable rental homes, Congress must significantly increase investments in proven, targeted solutions to build and preserve homes affordable to America's lowest-income renters. The severe shortage of housing affordable to extremely low-income households is a national crisis that demands a national solution.

#### National Housing Trust Fund

Congress should expand funding for the national [Housing Trust Fund](#) to at least \$40 billion annually to build and preserve homes affordable to people with the lowest incomes. The national Housing Trust Fund is the only federal program designed specifically to address the market failure that results in a severe shortage of housing supply affordable to people with extremely low incomes.

## Public Housing

Congress should provide at least \$90 billion to preserve and rehabilitate our nation's public housing infrastructure, make energy-efficient upgrades, and guarantee full funding for public housing in the future. Public housing is a critical source of housing affordable to households with extremely low incomes, but for too long, Congress has neglected its obligation to maintain these properties in good condition.

## **State and Local Solutions**

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State and local governments are in the best position to reform zoning and land use barriers that restrict the overall supply of housing, including housing supply for middle-income households. State and local housing trust funds, on the other hand, can help increase the supply of homes affordable to people with the lowest incomes.

### Zoning and Land Use Reform

In many communities, zoning and land use reforms are a necessary step for increasing the overall housing supply and creating more housing options for middle- and low-income households. For instance, some cities and states are beginning to reform zoning restrictions and allow higher density housing through by-right development.

While zoning reforms are critically needed, these reforms are not sufficient on their own to address the shortage of housing for extremely low-income renters; only federal investments can fully address the needs of the nation's lowest-income and most marginalized households.

### State and Local Housing Trust Funds

More than 800 state and local housing trust funds have been established by city, county or state governments that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes. While each state or local housing trust fund is designed with different features, those that are most effective target households with the lowest incomes.

## **Needed Reforms**

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In addition to expanding and preserving the supply of affordable housing, federal, state, and local policymakers should:

- Use transportation investments to incentivize or require zoning and land use reforms to reverse segregation and increase the supply of market-rate and affordable homes.
- Prevent displacement to ensure long-time residents can continue to live in their community. Anti-displacement measures could include preservation of affordable housing, stronger renter protections, the creation of community land trusts, and other tools.
- Prioritize the ownership and management of affordable housing by nonprofit organizations, tenants, local governments, public housing authorities, cooperatives, community land trusts, and other not-for-profit entities, and build the capacity of these organizations.

- Build the capacity of community-based organizations, including those led by Black and Asian people, Native Americans, and Latinos, to build and operate affordable housing.
- Provide robust resources to aggressively enforce fair housing and civil rights laws to ensure all renters have access to affordable housing. While housing discrimination has been outlawed for decades, renters continue to face harassment and discrimination by landlords. Greater enforcement must be a top priority.
- Ensure homes are built to be accessible to people with disabilities. Creating more accessible homes can help prevent housing insecurity and homelessness, as well as institutionalization of people with disabilities.
- Create a home modification fund to help people who have been institutionalized or who are at risk of institutionalization remain in their homes.
- Provide resources to all income-eligible households, regardless of immigration status.
- Ensure access for people with criminal histories by ending arbitrary screening and eviction policies, including blanket bans and one-strike policies.
- Convert the congregate homeless shelter system into one focused on permanent, affordable housing.
- Repeal the Faircloth amendment to build more public housing, and ensure lost public housing is replaced.
- Analyze housing, transportation, environmental, and disaster recovery programs for how each exacerbates, ignores, or ameliorates racial inequities and enact legislation to ensure all programs advance racial equity.

## Did you know?

- **The shortage of affordable homes disproportionately impacts Black people, Native Americans, and Latinos**, who are more likely than white households to have extremely low incomes, pay more than half of their income on rent, or experience homelessness.
- **Decades of structural racism and ongoing discrimination have created racial disparities in housing**, which contribute to inequities in wealth, education, health and more. [Housing segregation](#) was designed through intentional public policy, resulting in highly segregated communities today.
- **People with disabilities face significant barriers to affordable housing** because of the lack of accessibility or locations far from critical services.

For more information on federal solutions, contact NLIHC Senior Vice President of Public Policy and Field Organizing **Sarah Saadian** at [ssaadian@nlihc.org](mailto:ssaadian@nlihc.org) and NLIHC Policy Manager **Kim Johnson** at [kjohnson@nlihc.org](mailto:kjohnson@nlihc.org).

To learn more about state and local solutions, please visit NLIHC's [State and Local Innovation Project](#) page or contact NLIHC Vice President of State and Local Innovation at **Sarah Gallagher** at [sgallagher@nlihc.org](mailto:sgallagher@nlihc.org).