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## Research

### NLIHC Releases *Out of Reach 2018*

NLIHC released [\*Out of Reach: The High Cost of Housing 2018\*](#) on June 13. The report compares rents and wages nationally and in every state, country, and city in the U.S. *Out of Reach 2018* shows that both average renter wages and prevailing minimum wages are insufficient to afford modest rental apartments throughout the country, and the disparity is severe for those with the lowest incomes.

The report's Housing Wage is the hourly wage a full-time worker must earn to afford a modest rental home while spending no more than 30% of his or her income on rent and utilities. In 2018, the national two-bedroom Housing Wage is \$22.10 per hour. A household must have an annual income of at least \$45,960 to afford a two-bedroom rental home at HUD's average fair-market rent of \$1,149 per month. The average hourly wage of renters in the U.S. is \$16.88, \$5.22 less than the two-bedroom Housing Wage.

The federal minimum wage is \$14.85 less than the two-bedroom Housing Wage. A full-time minimum wage earner would have to work approximately 122 hours per week for 52 weeks a year to afford a two-bedroom apartment, or 99 hours per week to afford a one-bedroom apartment at fair-market rent. In no state, metropolitan area, or county can a worker earning the federal minimum wage or prevailing state minimum wage afford a decent two-bedroom rental home at fair market rent by working a standard 40-hour week. There are just 22 counties out of more than 3,000 counties nationally where a full-time minimum-wage worker can afford a one-bedroom apartment at fair-market rent.

Among states, the two-bedroom Housing Wage ranges from \$13.84 in Arkansas to \$36.13 in Hawaii. Hawaii, California, New York, and the District of Columbia all have a Housing Wage of \$30 per hour or higher. Seventeen states and the District of Columbia have a Housing Wage higher than \$20 per hour. The five metropolitan areas with the highest two-bedroom Housing Wages are Stamford-Norwalk, CT (\$38.19), Honolulu, HI (\$39.06), Oakland-Fremont, CA (\$44.79), San Jose-Sunnyvale-Santa Clara, CA (\$48.50), and San Francisco, CA (\$60.02).

Seven of the ten occupations expected to add the most jobs in the next ten years provide a median wage that is lower than the two-bedroom and one-bedroom Housing Wages. The occupation with the greatest projected growth, personal care aids, is expected to increase by more than 770,000 jobs in the next decade. The median hourly wage of personal care workers is \$11.32, or \$6.58 less than the one-bedroom Housing Wage of \$17.90. Five hundred and eighty thousand food preparation jobs are expected to be added in the next ten years. Food preparation jobs pay a median hourly wage of \$9.89, which is \$8.01 less than the one-bedroom Housing Wage.

The lowest income renters have the greatest challenge finding affordable housing. The national average fair market rent for a one-bedroom home is \$931 per month and \$1,149 for a two-bedroom home, far higher than the maximum \$660 per month that an extremely low income family can afford. Seventy-one percent of extremely low income renter households are severely housing cost-burdened, meaning they spend more than half of their incomes on housing, leaving few resources for other necessities and putting them at risk of losing their homes.

The findings in *Out of Reach 2018* demonstrate the large disparity between the incomes of low-wage workers and other vulnerable populations and the cost of modest rental homes. To address this disparity, NLIHC calls on lawmakers to increase federal funding for key affordable housing programs like Housing Choice Vouchers, the national Housing Trust Fund, public housing, and project-based rental assistance. These critical programs serve as a safety net and provide stable, affordable homes for the lowest income households.

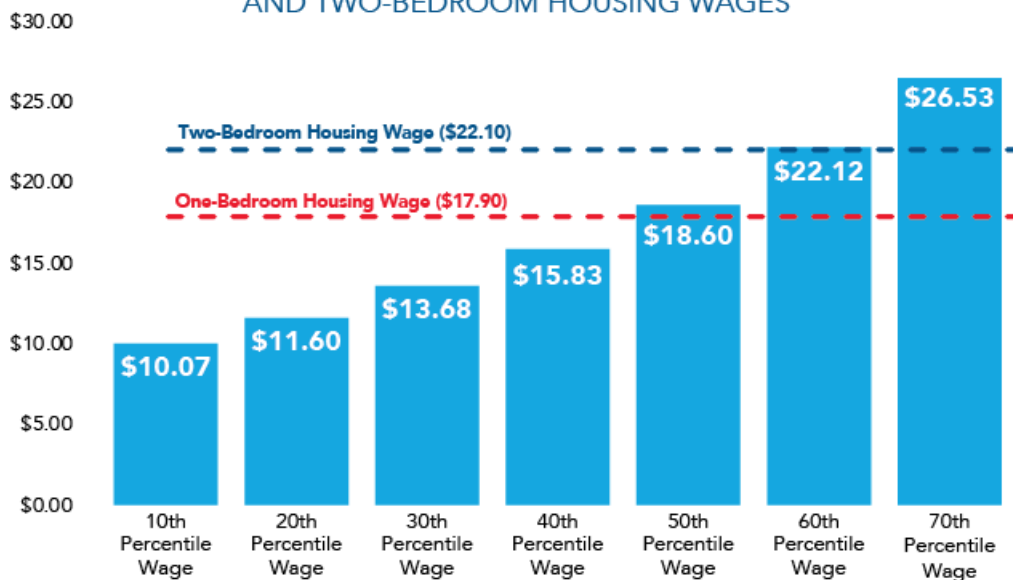
The *Out of Reach 2018* interactive website, which also includes an easy-to-use search function for *Out of Reach* data by metropolitan-area ZIP codes, is at: <https://bit.ly/1JCBH0s>

## Fact of the Week

### Low Wage Jobs Insufficient to Pay the Rent

# OUT of REACH

HOURLY WAGES BY PERCENTILE VS. ONE AND TWO-BEDROOM HOUSING WAGES



Source: Housing wages are derived from HUD fair market rents. The hourly wages by percentile are from the Economic Policy Institute's State of Working America Data Library. Adjusted to 2018 dollars.

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Source: NLIHC, *Out of Reach: The High Cost of Housing, 2018*. Housing Wages are derived from HUD fair market rents. The hourly wages by percentile are from the Economic Policy Institute's State of Working America Data Library. Adjusted to 2018 dollars.

## Take Action

### Tell Your Senators to Oppose Rescission Cuts to Affordable Housing Programs

NLIHC urges advocates and organizations to call their senators and urge them to vote “no” on the “[The Spending Cuts to Expired and Unnecessary Programs Act](#),” which would cut \$15 billion in previously approved funding, including cuts to affordable housing programs. The rescission package would cut almost \$40 million from public housing, \$40 million from rural rental assistance, and \$141 million from the Capital Magnet Fund.

The Senate is likely to vote this week on the measure. If approved, the bill will head directly to the president's desk for his signature.

## Background

Because of procedural rules, the Senate must vote on the bill before June 22 to be able to approve it by a simple majority. After that date, the bill will require 60 votes to pass. The House voted in favor of the bill on June 7.

The rescission package specifically targets funding for the Resident Opportunity and Self-Sufficiency (ROSS) program, which allows public housing authorities (PHAs) to hire service coordinators to help public housing residents access resources in their communities. The proposed cuts to the rural rental assistance program would prevent USDA from fully renewing all existing contracts, causing significant harm to rural residents. And the rescission to the Capital Magnet Fund would reduce private-sector investments in affordable housing and community development.

NLIHC and other national leaders sent a [letter to Congress](#) opposing the bill.

## Take Action

Please call your senators and urge them to oppose “The Spending Cuts to Expired and Unnecessary Programs Act.”

Contact your senators at: <http://cqrcengage.com/nlihc/lookup?0>

Learn more about the rescission bill at: <https://bit.ly/2JAfpWN>

Read the advocates’ letter opposing the bill at: <https://bit.ly/2LUFsFw>

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## Congress

### House Passes THRIVE Act; NLIHC Opposes Bill

The House approved by a vote of 230-173 the “[Transitional Housing for Recovery in Viable Environments Demonstration Program \(THRIVE\) Act](#)” (HR 5735) on June 14. The bill, introduced by Representative Andy Barr (R-KY), would divert 10,000 vouchers, or \$83 million, away from the Housing Choice Voucher program to pay for transitional recovery housing for people with substance-use disorders. The bill now heads to the Senate.

Before the House vote on the THRIVE Act, NLIHC sent to lawmakers a [coalition letter](#), signed by 29 national housing, homelessness, behavioral health services, and recovery housing organizations opposing the bill because it would lengthen affordable housing waiting lists for low income families, seniors, people experiencing homelessness, and people leaving substance use treatment or recovery housing.

During debate on the House floor, Representative Member Maxine Waters (D-CA), the ranking member of the House Financial Services Committee, spoke against the bill. While she lauded Mr. Barr for trying to help people suffering from substance-use disorders, she stated that doing so requires more resources. “[Y]ou cannot do this on the cheap,” she said. “You cannot do this without understanding that rehabilitation costs money. So, while I absolutely applaud the attempt, I want to share with you that [we would be] taking 10,000 vouchers from those who have been waiting in line for years—I am talking about single-family parents with their children who simply are praying and hoping that they can get a voucher so that they can get a decent place to live.”

Lawmakers also approved four amendments to the bill by voice vote. A manager’s amendment was added by Mr. Barr that clarifies selection requirements. Representative Dana Rohrabacher (R-CA) offered an amendment

that would require local governments to authorize which service providers could participate in the demonstration program. Representative Gwen Moore (D-WI) proposed an amendment to ensure that tribal housing authorities would be eligible to participate in the demonstration. Representative Andy Biggs (R-AZ) offered an amendment that would remove the requirement to include recommendations for further continuation and expansion of the voucher program in a report to Congress.

Read NLIHC's letter to Representative Barr opposing the THRIVE Act at: <https://bit.ly/2JSMZal>

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## **Disaster Housing Recovery**

### **Lawmakers Call for Study on Improved Practices for Counting Disaster-Related Mortalities**

Representative Nydia Velázquez (D-NY) and Senator Kamala Harris (D-CA) introduced companion bills in the [Senate](#) and [House of Representatives](#) to require FEMA to conduct a study and report on best practices in conducting mortality counts after major disasters. “Whether it be Hurricane Maria or another natural disaster to come,” Ms. Kamala Harris stated, “the accuracy of the death toll has a direct impact on an area’s recovery.” These bills come in response to a Harvard study that found the death toll in Puerto Rico as a result of Hurricane Maria to be over 4600, far higher than the official count of 64.

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### **Senators Ask HHS and Homeland Security to Report on Preparedness for 2018 Hurricane Season**

Senators Bill Nelson (D-FL), Marco Rubio (R-FL), Susan Collins (R-ME), and Robert Casey (D-PA) sent a [letter](#) to the secretaries of the Departments of Health and Human Services (HHS) and Homeland Security requesting a detailed report on each agency’s preparations for the 2018 hurricane season, particularly as they relate to older adults and individuals with disabilities. The letter cites recommendations from the Senate’s Special Committee on Aging, including the prioritization of nursing homes and assisted living facilities for power restoration, greater interagency data exchange, and a seat at the table for these populations when planning recovery and response efforts.

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### **Additional Updates on Disaster Housing Recovery – June 18**

The following is a review of additional housing recovery developments related to Hurricanes Harvey, Irma, and Maria, and the California wildfires since last week’s *Memo to Members and Partners* (for the article in last week’s *Memo*, see [6/11](#)). NLIHC also posts this information at our [On the Home Front](#) blog.

#### **Federal Response**

##### **FEMA**

A *Vice News* [analysis](#) found that FEMA has 3,865 workers able to be deployed if a disaster were to strike, about half of the 6,656 workers available a year ago. The position for FEMA’s second-in-command and three of four associate administrator posts are vacant or only temporarily filled. The agency is also without a director of external communications and a head for insurance and mitigation.

A [2018 Annual Hurricane Briefing](#) was held at FEMA headquarters on June 6 to reflect on the 2017 hurricane season and to discuss the 2018 season that officially started on June 1. President Donald Trump and First Lady Melania Trump were in attendance, and many governors joined the meeting via video chat. Mr. Trump [commended FEMA](#) Administrator Brock Long on his response in Puerto Rico.

## State Action

The Texas General Land Office will use \$35.4 million in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds for a [buyout program](#) for homes repeatedly flooded in Harris County, TX. These funds will be used to acquire up to 160 single-family homes and help families move out of high flood-risk areas.

## Local Perspectives

While Houston, TX, was awarded \$1 billion in [long-term housing](#) assistance in response to Hurricane Harvey, there will still be an unmet need for housing assistance of over \$2.3 billion, disproportionately affecting low income renters.

*The New York Times* posted a [guide](#) explaining discrepancies in the Puerto Rico death count as a result of Hurricane Maria. A Harvard study estimated that over 4600 Puerto Ricans died as a result of Hurricane Maria, far more than the official count of 64. The government of Puerto Rico has contracted with George Washington University to conduct a more thorough study of the death toll from Hurricane Maria.

New York City's Puerto Rican Day [Parade](#) focused on the lack of disaster relief from the U.S. government and the extensive casualties and devastation caused by Hurricane Maria. Many called for the "[decolonization](#)" of Puerto Rico and spoke to the need for more support from the federal government.

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## Opportunity Starts at Home

### ***Opportunity Starts at Home* Offers New Resources on the Connection between Hunger and Housing**

Anti-hunger advocates are housing advocates! The [Opportunity Starts at Home](#) campaign website offers a new [resource page](#) on the connections between affordable housing and hunger alleviation in America.

Anti-hunger advocates understand that households that struggle to pay the rent also have difficulties buying adequate, nutritious food. When the rent eats first, hardworking people and their children go hungry. "Over 41 million Americans live in households that struggle against hunger. These are working families struggling to make ends meet; veterans, people with disabilities, seniors, and the most vulnerable population - children," according to the Food Research and Action Center.

To learn more about the connections between affordable housing and food security, check out the newest "sector page" on [Anti-Hunger and Housing](#) on the *Opportunity Starts at Home* website.

Also, be sure to follow the campaign on all social media platforms: [Twitter](#); [Instagram](#); [Facebook](#); [LinkedIn](#).



## **From the Field**

### **Minnesota Advocates Celebrate \$90 Million in New Housing Bonds**

The Minnesota State Legislature adjourned at the end of May, but not before passing a bonding bill that will provide \$90 million in new funding to expand the supply of safe, decent, accessible, and affordable homes throughout the state. The bill includes \$80 million for housing infrastructure bonds (HIB), \$30 million of which is to be used for the development of permanently supportive housing (PSH). An additional \$10 million in general obligation bonds will be used to rehabilitate existing public housing. The victory is the result of ongoing organizing and advocacy led by the Homes for All MN campaign, in which NLIHC state partners Minnesota Coalition for the Homeless and Minnesota Housing Partnership play a prominent role.

In addition to the \$90 million in new housing bonds, \$30 million of bond revenue will be devoted to mental-health crisis centers. Addressing the needs of people with mental and behavioral health issues was another priority for Homes for All MN, and the coalition was instrumental in securing the additional allocation. Achieving a total of \$120 million in bond commitments in 2018, combined with the \$77 million won in 2017 for a total of \$197 million in new investments, reflects a historic two-year achievement for housing advocates. The final 2018 funding commitment comes close to the Homes for All MN initial ask of \$140 million.

Several new eligible uses for HIBs are included in the new legislation, including senior housing and manufactured home parks. According to Homes for All MN, more than half all senior renters in Minnesota are cost-burdened, paying more than 50% of their incomes for rent. The senior renter population is expected to nearly double by 2035.

Apart from the bonding victories, Homes for All MN was unsuccessful in getting its other requests included in a supplemental budget bill ultimately vetoed by Governor Mark Dayton (D) after his office could not reach a compromise with the legislature. Mr. Dayton also vetoed a tax reform bill passed by the legislature, and in so doing, preserved the state's renters credit.

“We are so grateful for the hard work of advocates who support Homes for All,” said Senta Leff, executive director at Minnesota Coalition for the Homeless. “Investing in housing works for Minnesota families, and we look forward to more progress in 2019.”

For more information about Homes for All MN and the recent bonding bill victories, contact Fatima Moore, director of public policy for Minnesota Coalition for the Homeless, at: [fatima@mnhomelesscoalition.org](mailto:fatima@mnhomelesscoalition.org)

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### **Pennsylvania Advocates Push For Affordable Housing Tax Credit**

The Housing Alliance of Pennsylvania, an NLIHC state partner, hosted its annual Home Matters Day at the State House in Harrisburg, PA, on June 5. The group gathered more than 65 representatives from affordable housing and community development organizations from across the commonwealth to urge their legislators to support a bill (S.B. 1185) that would create a state housing tax credit. Sponsored by State Senator Thomas Killion (R), the bill encourages private investment in affordable homes by awarding tax credits for projects serving households with low and very low incomes.

Pennsylvania is experiencing an affordable housing crisis, with a shortage of more than 250,000 rental homes for extremely low income households. This shortage of affordable homes coupled with rising rents and stagnant wages present a severe challenge to low income people in the state. Advocates say this legislation will help address the dire need for more affordable homes.

The legislation would provide a dollar-for-dollar state tax credit to private investors. Based on an analysis of recent projects funded through tax credits in Pennsylvania, the Housing Alliance of Pennsylvania projects that an annual allocation of \$2 million in new tax credits would yield 381 additional affordable rental homes per year.

The state housing tax credit would mirror the federal Low Income Housing Tax Credit (LIHTC) income-targeting requirements, including allowing for “income-averaging” - allowing apartments in tax credit properties to serve households earning as much as 80% percent of area median incomes (AMI) so long as a corresponding number of apartments target levels below 60% of AMIs. The Pennsylvania program would also target 10% of total annual credits to serve households with incomes at or below 30% of AMI. This is not a project-by-project requirement, however.

“Pennsylvania is in need of affordable housing opportunities for low income residents,” said Phyllis Chamberlain, executive director of the Housing Alliance. “A state housing tax credit will increase the viability of affordable housing projects for developers and private investors looking to build or rehabilitate properties.”

Residents also expressed support for the bill. “I have chronic health issues and without supportive housing, I would be at death’s door,” said Wanda Connelly, supportive housing resident and employee of Project HOME, a nonprofit housing provider in Philadelphia. “Because my housing is stable, I am able to help people who are still living on the streets. Funding for supportive housing will save lives and help people get back on their feet.”

For more information, contact Levana Layendecker, deputy director of the Housing Alliance of Pennsylvania, at [levana@housingalliancepa.org](mailto:levana@housingalliancepa.org) or 215-576-7044.

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## **NLIHC in the News**

### **NLIHC in the News for the Week of June 10**

The following are some of the news stories that NLIHC contributed to during the week of June 10. Hundreds of news stories featured information and data from NLIHC’s *Out of Reach: The High Cost of Housing 2018* report, which was released on June 13. Here are just a few:

- “Report: Modest Rental Homes Out of Reach for Many in Vermont,” *US News & World Report*, June 15 at: <https://bit.ly/2JJCdEb>
  - “Minimum wage doesn't cover the rent anywhere in the U.S.,” *CBS News*, June 14 at: <https://cbsn.ws/2JYvrtO>
  - “SF's minimum wage earners would need to work 171.5 hours per week to afford 'fair market' rental,” *SF Gate*, June 14 at: <https://bit.ly/2HSkdla>
  - “A minimum-wage worker can’t afford a 2-bedroom apartment anywhere in the U.S.,” *The Washington Post*, June 13 at: <https://wapo.st/2LRbpP4>
  - “Bleak New Figures Show Just How Unaffordable Rent Is In Every U.S. State,” *The Huffington Post*, June 13 at: <https://bit.ly/2y5d2GR>
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## NLIHC News

### Where to Find Us – June 18

NLIHC President and CEO Diane Yentel and other NLIHC staff will be speaking at the following events in the coming months:

- ACHANGE’s convening, Little Rock, AR, June 22- 23
  - [A Home for Everyone 2018](#); Green Bay, WI, on July 17
  - [Homes for All #RenterPower2018 Assembly](#); Atlanta, GA, July 18-22
  - [Florida Housing Coalition Annual Conference](#), Orlando, FL, on August 27
  - [NACCED Annual Conference](#), Minneapolis, MN, on September 24
  - [Federal Reserve Bank of Philadelphia: Reinventing Our Communities: Investing in Opportunity](#), Baltimore, MD on October 1
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