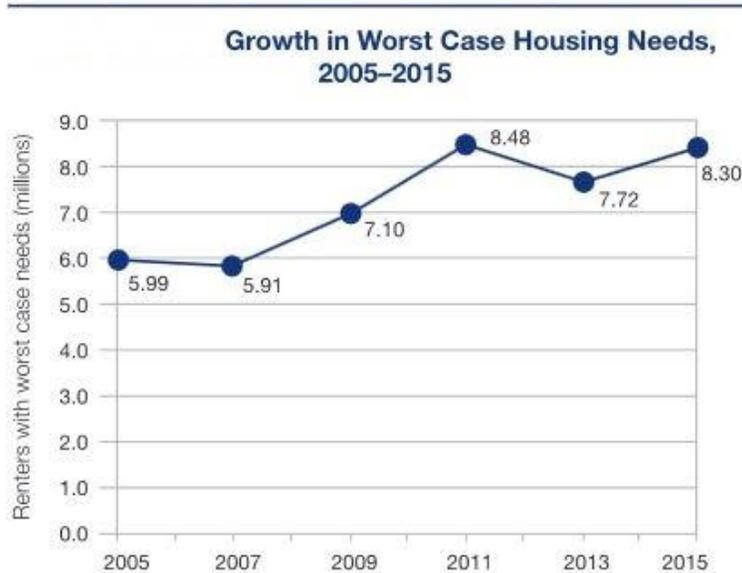


WORST CASE HOUSING NEEDS HAVE GOTTEN ... WORSE



Source: HUD-PD&R tabulations of American Housing Survey data

Communities across the country have been making tremendous progress strengthening their ability to respond in a coordinated way to the crisis of homelessness, but it is clear that there is a great deal of further work and progress needed. It is also clear that there are powerful connections between access to housing people can afford—for their risks for homelessness and for our ability to help people exit homelessness rapidly.

There is no single source of data that tells the whole story of homelessness and other housing needs in our country. Earlier this year, we provided guidance regarding how communities should consider different data sources to develop strategies to address housing needs, housing instability, and homelessness. We hope that you are using that guidance as you strengthen and sharpen your strategies, and as you build broader partnerships to address the full range of housing needs in your communities. In addition, we all need to stay attentive to new and updated information and data as it emerges to make sure that we do not fall behind the curve and that we do not respond to changing conditions in our communities too late.

HUD's Worst Case Housing Needs 2017 Report to Congress is a key new source of information about worsening housing needs in our communities, which could be creating increasing challenges for our shared progress toward ending homelessness. This report provides an estimate of the number and percentage of renters who are experiencing "worst-case" housing needs, indicating that they: have very low incomes (below 50% of the median income in their area); do not receive government housing

assistance; and either have severe rent burdens (paying more than 50% of their income in rents), or live in severely inadequate or substandard housing, or experience both problems. The previous report, issued in 2015, found a 9% reduction in the number of renter households experiencing worst-case housing needs during the 2011-2013 period, following an 43% increase during the 2007-2011 period.

The 2017 report, however, indicates a reversal of this trend, documenting an 8% increase in the number of households with worst-case housing needs during the 2013-2015 period, an increase of 582,000 households, from 7.72 million households up to 8.30 million households. These worst-case housing needs were overwhelmingly driven by severe rent burdens:

- 95.6% of households with worst-case needs faced severe rent burden only;
- 1.8% faced severely inadequate housing only; and
- 2.6% faced both problems.

Some important details within these findings include:

Prevalence:

- In total, among very-low-income renter households, only about 25% had rental assistance, 43% had worst-case housing needs, and the remaining 32% avoided severe housing problems in the unassisted private rental market in 2015.
- Nationally, 43.2% of all very-low-income renters experienced worst-case housing needs, with the highest rate (50.4%) found in the Western region of our country.
- The prevalence of worst-case needs among low-income renters was highest in urban suburbs (48.8%) and central cities (44.2%).

Race and Ethnicity:

- Of those experiencing worst-case needs, 45.5% were non-Hispanic White renters, 25.3% were Hispanic renters, 21.7% were non-Hispanic Black renters, and 7.5% were renters of other races and ethnicities.
- When compared to representation in the general public, that data indicates significant over-representation of:
 - non-Hispanic Black persons, who represent approximately 13% of the total population, but 21.7% of renters experiencing worst-case housing needs; and
 - Hispanic renters, who represent approximately 16% of the total population, but 25.3% of renters experiencing worst-case housing needs.
- The shares of very-low-income renters with worst-case needs also increased more quickly for non-Hispanic Black renters (up 1.9 points) and Hispanic renters (up 3.3 points) than for non-Hispanic White renters (up 0.6 points).

Important Factors:

- The report describes an inverse relationship between the prevalence of worst-case needs and the prevalence of housing assistance. Worst-case needs were more prevalent in the West and the South, especially in urban suburbs, where housing assistance is scarcer—although higher rents in the West were also a factor.
- For the poorest renters, growth in rental costs outpaced income gains. And despite the growing supply of rental units overall, the stock of rental housing affordable to very-low-income renters shrunk between 2013 and 2015.
- Very-low-income renters faced increased competition from higher-income renters for the most affordable units. Higher income renters occupy a growing share—43%—of the most affordable units, reducing the supply of affordable units available to very-low-income renters.
- The report further details the mismatch between the number of extremely low-income renters and the number of affordable units available to them. For every 100 extremely low-income renters, only 66 affordable units existed, and only 38 of those units were affordable and available (i.e., occupied by a renter at or below that income level.)

For the first time, HUD's 2017 report provides estimates of worst-case housing needs for 25 select metropolitan areas – [check if your metropolitan area is included](#).

I'll delve more deeply into that local data, and offer reflections on the implications of this data for our efforts to end homelessness, in a future article. We'll also be profiling some examples of how states and local communities have been identifying and dedicating additional resources to address the need for an expanded supply of affordable housing opportunities.