Housing 2018:
A Starting Point for Smart Growth Placemaking

Chris Herbert
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What do we mean by “affordable” housing?
The Rule of Thumb is That Housing Should Not Account for More than 30% of Monthly Income

Renter Households Earning $30,000-$45,000 in Phoenix

Average Monthly Income/Expenses

The Rule of Thumb is That Housing Should Not Account for More than 30% of Monthly Income

Renter Households Earning $30,000-$45,000 in Los Angeles

Average Monthly Income/Expenses

The Rule of Thumb is That Housing Should Not Account for More than 30% of Monthly Income

Renter Households Earning $15,000-$30,000 in Los Angeles

Average Monthly Income/Expenses

Income

Expenses

- Housing
- Food
- Health Care
- Transportation
- Childcare
- Taxes
- Misc

What have been the trends in housing affordability?
Housing Cost Burdens Have Declined Sharply Among Owners, But Are Near Record Levels Among Renters

Cost-Burdened Households (Millions)

Note: Severely cost-burdened households pay more than 50% of income for housing, including utilities.
Source: JCHS tabulations of American Community Survey 1-Year Estimates.
Sharp Growth in Renter Cost Burdens in the 2000s Built on Decades of Increases

Notes: Moderate (severe) burdens are defined as housing costs of 30-50% (more than 50%) of household income. Households with zero or negative income are assumed to be severely burdened, while renters not paying cash rent are assumed to be unburdened.

Sources: JCHS tabulations of US Census Bureau, Decennial Census and American Community Surveys.
Why has affordability gotten so much worse? Is it likely to get better?
Sharp Rise in Cost-Burdened in 2000s Reflects Long-term Increases in Housing Costs and Declines in Incomes

Source: JCHS tabulations of US Census Bureau, American Community Surveys
What has been the response by the Federal government to these trends?
After Some Increase in the 1980s, the Number of Assisted Households Has Been Essentially Flat for Two Decades Despite Sharp Rise in Eligible Renters

Very Low-Income Renter Households (Millions)

Note: Very low income is defined as 50% or less of area median.
Source: JCHS tabulations of HUD, Worst Case Needs Reports to Congress.