



OPPORTUNITY  
STARTS AT HOME

# WITHIN REACH:

AMBITIOUS FEDERAL SOLUTIONS TO  
MEET THE HOUSING NEEDS OF THE  
MOST VULNERABLE PEOPLE

[www.opportunityhome.org](http://www.opportunityhome.org)

# BRINGING TOGETHER NEW PARTNERS TO TACKLE AMERICA'S AFFORDABLE RENTAL HOUSING CRISIS

Rental housing affordability has worsened dramatically over the past 15 years, and more American families than ever are struggling to pay the rent and make ends meet. For those at the bottom of the income scale, the problem is most acute: more than 10 million households with extremely low incomes are either homeless or pay unaffordable rental costs that force them to make impossible choices between paying the rent and paying for heat, food, medications, transportation, and other necessities.

We all have a stake in solving this problem. When families repeatedly fall behind on the rent and are forced to move, their children are less likely to succeed in school, and high classroom turnover disrupts learning for other children as well. Children in families that move often are also much less likely to grow up in areas with quality schools and other opportunities they need to escape poverty and climb the economic ladder. People with chronic health conditions find it more difficult to access care when they cannot afford a stable home, and the stress of paying high rents can worsen their health. Affordable housing is also essential to growing the economy, caring for our seniors and people with disabilities, reducing crime, improving food security, meeting veterans' needs, ending homelessness, and more. A decent,

affordable home helps people succeed and thrive.

To solve this problem, we must tackle it from several angles. Failures of both the private market and public policy — at the federal, state, and local levels — have contributed to the problem. And many people and institutions, both private and public, must take part in addressing it. Among these institutions, the federal government has an essential role to play. This document outlines a set of federal policies that we believe are necessary to solve the affordable housing crisis facing America's poorest individuals and families.

We are the Steering Committee of *Opportunity Starts at Home*, a dynamic, long-term, multi-sector campaign to address the housing needs of the nation's most vulnerable low-income populations. Affordable housing campaigns are not new, of course, but what is unprecedented and transformative about *Opportunity Starts at Home* is the scope and diversity of the partners that are joining forces to advocate for more robust and equitable federal housing policies. The campaign is advised by a Steering Committee including leading national organizations representing a wide range of interests that are working shoulder-to-shoulder to solve the affordable housing crisis.



# LONG-TERM GOAL & POLICY STRATEGIES

The housing affordability crisis demands a major, long-overdue federal response. Federal action is necessary not only to expand resources, but also to set overarching policy priorities and incentivize and support coordinated efforts at the state and local levels. While state and localities also have important roles to play, they cannot solve this problem on their own.

**This campaign seeks to ensure that the most vulnerable low-income households can afford the rent.** To achieve this ambitious long-term goal, three key policy strategies are essential:

1. **Bridge the gap** between rents and income for the most vulnerable households through rental assistance;
2. **Expand the stock** of housing affordable to vulnerable low-income households; and
3. **Stabilize households** by providing emergency assistance to avert housing instability and homelessness.

## Bridge the Gap Between Rents and Income

Rental assistance is a critical tool for helping vulnerable people afford decent, stable homes, and avoid homelessness. In America, a renter household needs an annual income of \$45,960 to afford a modest two-bedroom rental unit,<sup>1</sup> which is far above the wages of many working families or the fixed incomes of many seniors and people with physical or mental health conditions that limit their ability to work. Even in properties that have been built with the help of robust construction subsidies, such as the Low Income Housing Tax Credit, the rents (or operating costs) are typically unaffordable for individuals and families with extremely low incomes.<sup>2</sup>

A substantial expansion of rental assistance for the most vulnerable households is thus a key element of any successful strategy to solve the affordable housing crisis. The most well-known type of rental subsidy is the Housing Choice Voucher (HCV) program. Vouchers help people with the lowest incomes afford housing in the private market by paying landlords the difference between what a household can afford to pay for rent and the rent itself, up to a reasonable amount. Housing vouchers are also flexible — for instance, families may use them to rent homes that best meet their needs, including homes in areas with quality schools and greater access to jobs. Housing vouchers may also be tied to a specific housing development in a way that facilitates the development's financing and makes it easier for owners to provide health and other services that some vulnerable people need.



To fully achieve the campaign's ambitious long-term goal, we call for a substantial expansion of new housing vouchers, including a new subset of "Opportunity Vouchers" designed for families with young children to expand access to good neighborhoods with strong schools, better

1 "Out of Reach: The High Cost of Housing." National Low Income Housing Coalition, 2018, [http://nlihc.org/sites/default/files/oor/OOR\\_2018.pdf](http://nlihc.org/sites/default/files/oor/OOR_2018.pdf).

2 "The Cost of Affordable Housing: Does it Pencil Out?" Urban Institute and National Housing Conference, July 2016, <http://apps.urban.org/features/cost-of-affordable-housing/>; "Mapping America's Rental Housing Crisis." Urban Institute, 27 April 2017, <https://apps.urban.org/features/rental-housing-crisis-map/>.

job prospects, and other opportunities. Research shows that when children in poor families grow up in high-opportunity neighborhoods with low poverty, quality schools, and low crime — as opposed to neighborhoods with high levels of concentrated poverty and segregation — they are much more likely to attend college, less likely to become single parents, and earn more as adults, which can help break the cycle of generational poverty.<sup>3</sup>



While vouchers are the most common form of rental assistance, other promising policy innovations could be used to reach more families. One idea is to create a new federal renter’s tax credit. A variety of renter’s tax credit proposals have been advanced, including some that would target aid on the nation’s most vulnerable households.<sup>4</sup>

## Expand the Affordable Housing Stock

In markets where vacancies in existing buildings are scarce, “supply-side” approaches are also essential to produce more affordable homes. To expand the affordable housing stock, the campaign

will primarily advocate for a significant expansion of the national Housing Trust Fund (HTF), which is a dedicated funding stream to efficiently build, rehabilitate, preserve, and operate rental housing for extremely low income people. The national HTF is a block grant to states and operates at no cost to the federal government because it is funded through fees on Fannie Mae and Freddie Mac.

At the same time, the campaign will work to ensure that other existing tools that produce affordable housing are equitably assisting the lowest income renters. To that end, the campaign will advocate for new incentives and/or resources for a significant share of Low Income Housing Tax Credit (LIHTC) units to be 1) affordable to those with the lowest incomes and 2) strategically sited to foster economically and racially inclusive communities. Created in 1986, LIHTC is the largest source of new affordable housing in the nation and has provided much needed assistance to millions.

Additionally, the campaign will advocate to preserve the existing affordable housing stock, including the roughly one million public housing units that are currently home to 2.6 million residents.

Increasing the overall supply of units affordable for low-income renters not only helps them but can also alleviate rent pressure for those with higher incomes. Millions of low-income renters currently occupy units that they cannot afford, but those units could be affordable to those with higher incomes. A greater supply of rental housing would allow these low-income renters to move from unaffordable units to affordable units, thereby freeing up their original units for higher income renters who could better afford them.

3 Chetty, R. et al. (2015). “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment.” Harvard University, [http://www.nber.org/mtopublic/final/MTO\\_IRS\\_2015.pdf](http://www.nber.org/mtopublic/final/MTO_IRS_2015.pdf).

4 Galante, C. et al. (2016). “The FAIR Tax Credit: A Proposal for Federal Assistance in Rental Credit to Support Low-Income Renters.” Turner Center for Housing Innovation, UC Berkeley, [http://turnercenter.berkeley.edu/uploads/FAIR\\_Credit.pdf](http://turnercenter.berkeley.edu/uploads/FAIR_Credit.pdf); Fischer, W. et al. (2017). “Renters’ Credit Would Help Low-Wage Workers, Seniors, and People with Disabilities Afford Housing.” Center on Budget and Policy Priorities, <https://www.cbpp.org/research/housing/renters-credit-would-help-low-wage-workers-seniors-and-people-with-disabilities>; Patenaude, P. et al. (2013). “Housing America’s Future: New Directions for National Policy.” Bipartisan Policy Center, [https://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC\\_Housing%20Report\\_web\\_0.pdf](https://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC_Housing%20Report_web_0.pdf).

## Preventing Housing Instability with Emergency Assistance

As the campaign works to assist people who are already homeless or at risk due to housing instability, we must also act to minimize the number of people who fall into these perilous situations. To this end, the campaign will advocate for the creation of a “National Housing Stabilization Fund” which provides emergency assistance to poor households to prevent housing instability and homelessness. Temporary assistance can stabilize households experiencing economic shocks *before* they cause instability and homelessness, which often require more prolonged and extensive housing assistance. In today’s America, countless households are one crisis away from major economic hardship that could quickly spiral out of control (e.g., a broken-down car, an overdue bill, job loss, etc.).

The primary purpose of the National Housing Stabilization Fund would be to provide financial assistance to cover the gaps between income and rental costs

during a financial crisis. The secondary purpose would be to provide housing stability services, such as counselors and legal aid. When combined, short-term housing assistance and support services can significantly reduce evictions and homelessness, yet such aid is not available at the scale needed. A review of federal, state, and local programs that offer some form of emergency assistance and/or legal services show an uneven patchwork of support for vulnerable households.

States and localities, which would provide matching funds, should have flexibility to make decisions best-suited for their circumstances, but the federal government would also set minimum eligibility requirements. To be eligible for support, households must be extremely low-income and be able to identify a trigger that is causing a housing crisis and putting them at an imminent risk of eviction or homelessness. Built into the program would be robust evaluations to identify the most effective strategies and practices, as well as mechanisms to move them to scale.



# FIRST STEPS BETWEEN NOW AND 2020

Achieving our ambitious long-term goal will take years of sustained work, but we must start now. The specific short-term policy priorities below align with the campaign's long-term goal and three key policy strategies. They are ambitious yet achievable and include a mix of offensive and defensive actions.

To make substantial progress toward the ultimate long-term goal, the campaign has identified five first steps between now and 2020:

- **Advocate for the creation of 500,000 “Opportunity Vouchers”** phased in over 5 years at 100,000 per year. The estimated cost of this type of rental assistance is \$1.05 billion in the first year and \$13.5 billion over five years.<sup>5</sup>
- **Increase annual funding for the national Housing Trust Fund to \$3.5 billion,<sup>6</sup>** which would be *13 times greater* than its current funding levels. Reform of Fannie Mae, Freddie Mac, and other housing Government-Sponsored Enterprises (GSEs) is one of several potential legislative opportunities to expand the supply of deeply affordable housing.
- **Advance an innovative proposal** for the creation of a “National Housing Stabilization Fund” which would cushion families from economic shock to avert housing instability and homelessness.
- **Advocate for emerging legislative opportunities** as they arise, if they advance the long-term goal of the campaign.

- **Defend key housing policies and programs** from proposed cuts or harmful changes. Critical resources such as Housing Choice Vouchers, the national Housing Trust Fund, and public housing are currently at risk of funding cuts and policy changes that would make them less effective.

These proposals reflect a bold vision of a vigorous federal response to the housing affordability crisis. At the same time, we acknowledge that states and localities must also expand resources, as well as implement more effective policies, if the campaign is to achieve its goal. For example, a significant expansion of Housing Choice Vouchers at the federal level would be most effective when complemented with state and local efforts to eliminate source of income discrimination.<sup>7</sup>

Also, as the national Housing Trust Fund expands, states must ensure that allocations help promote racially and economically inclusive communities. States and localities should also enact new rules to protect renters, such as good-cause eviction and right to counsel laws, to reduce the instability that so many vulnerable families experience. Moreover, states and localities should work together to reduce barriers to housing development, such as restrictive zoning policies which constrain supply, increase costs, and exacerbate residential segregation.

5 Sard, Barbara, et al. “Helping Young Children Move out of Poverty by Creating a New Type of Rental Voucher.” Center on Budget and Policy Priorities, 11 May 2018, [www.cbpp.org/research/housing/helping-young-children-move-out-of-poverty-by-creating-a-new-type-of-rental-voucher](http://www.cbpp.org/research/housing/helping-young-children-move-out-of-poverty-by-creating-a-new-type-of-rental-voucher).

6 The 2014 bipartisan Johnson-Crapo housing finance reform bill would have allocated an estimated \$3.5 billion annually to the national Housing Trust Fund. Yentel, Diane. Testimony to the Financial Services Committee, United States House of Representatives, 21 December 2018, [https://democrats-financialservices.house.gov/uploadedfiles/12.21.201\\_diane\\_yentel\\_testimony.pdf](https://democrats-financialservices.house.gov/uploadedfiles/12.21.201_diane_yentel_testimony.pdf).

7 In several states and municipalities, landlords are permitted under the law to openly discriminate against voucher holders which makes it difficult for voucher holders to find housing especially in low poverty neighborhoods. Cunningham, Mary, et. al. (August 2018). “A Pilot Study of Landlord Acceptance of Housing Choice Vouchers.” Prepared for the US Department of Housing and Urban Development, Submitted by Urban Institute, <https://www.huduser.gov/portal//portal/sites/default/files/pdf/ExecSumm-Landlord-Acceptance-of-Housing-Choice-Vouchers.pdf>. Eliminating source of income discrimination is also possible at the federal level, as evidenced by the 2018 bipartisan Kaine-Hatch fair housing bill.

# MULTI-SECTOR IMPACTS

These policy solutions will improve outcomes beyond housing alone. Housing influences outcomes across many sectors and the research shows it. Students do better. Patients are healthier. People can more readily escape poverty and homelessness. The economy is stronger. And our nation is more just and equal, when all Americans have access to safe, stable, affordable homes.

We know that housing is linked to many other sectors:



## Education & Housing

Decent affordable housing is linked with stronger student outcomes (e.g., improved test scores; fewer behavioral problems; increased graduation). Schools can't "go it alone" — achievement differences between students are heavily influenced by out-of-school factors, including housing.

Because school funding largely comes from local property taxes, housing plays a pivotal role in how much schools can spend on students' education. The highest poverty school districts receive roughly \$1,000 less per pupil in state/local funding than the wealthiest districts.

Because students are assigned to school based on neighborhood, residential segregation leads to school segregation. School segregation remains stubbornly high and creates many academic inequities. When affordable housing options are geographically spread throughout a city, it can foster economically and racially diverse neighborhoods, which, in turn, can foster diverse neighborhood schools. Economically diverse schools are 22 times more likely to be high performing than high-poverty schools.



## Health & Housing

Decent, stable, affordable housing is linked with better health outcomes across the lifespan. There are associations with fewer instances of: child hospitalizations; developmental delays; asthma; insufficient sleep; mental health challenges; elevated blood lead levels; and smoking. For example, young children in families who live in unstable housing are 20% more likely to be hospitalized than those who do not worry about frequent moves or have anxiety over rent.

Families struggling with rent are forced to make sacrifices on necessary medical care. In 2011, families living in unaffordable housing spent one-fifth as much on necessary healthcare compared to those in affordable housing.

Decent, stable, affordable housing produces healthcare savings for individuals and the nation (e.g., fewer ER visits, fewer hospitalizations, more preventative care visits, and lower Medicaid costs). One study found that unstable housing among families with children will cost the nation \$111 billion in avoidable health-related expenditures over the next ten years.



## Civil Rights & Housing

Racial and economic inequities are deeply rooted in housing segregation and discrimination. Affordable housing located in inclusive neighborhoods can reduce residential segregation and concentrations of poverty. Today, 1 in 4 African American families and 1 in 6 Hispanic families live in neighborhoods of concentrated poverty, compared to only 1 in 13 white families.

Studies show that reduced residential segregation can enhance income, economic growth, safety, racial equity, property values, and educational attainment.

A recent study found that if Chicago reduced its residential segregation to the national median, incomes for African Americans would rise by \$2,982 per person per year, regional GDP would increase by \$8 billion, the homicide rate would decrease by 30%, residential real estate values would increase by \$6 billion, and 83,000 more adults would complete a bachelor's degree.



## Economic Mobility & Housing

Where you live matters. When children in poor families can access affordable homes located in high-opportunity neighborhoods with low poverty, quality schools, and low crime, they are much more likely to attend college, less likely to become single parents, and earn more as adults. In fact, younger poor children who move to lower-poverty neighborhoods earn an average of \$302,000 more over their lifetime compared to their peers in higher-poverty neighborhoods.



## Hunger & Housing

When rent eats up an already limited paycheck, low-income families have fewer resources to buy adequate and nutritious food. Low-income families that live in affordable housing experience greater food security and their children are 52% less likely to be seriously underweight compared to those who are cost-burdened by rent.



## Economic Productivity & Housing

Investments in affordable housing are a proven catalyst for economic growth, job creation, increased government revenue, and increased consumer spending. Building 100 affordable homes generates \$11.7 million in local income, 161 local jobs, and \$2.2 million in taxes and other revenues for local government. Housing expenditures generate a significant return on investment and can leverage private sector dollars. Affordable housing enables families to move to areas with growing local economies where wages and employment chances improve, which, in turn, increases GDP and empowers businesses to attract and retain workers.



## Homelessness & Housing

Affordable housing is both the cause of homelessness, and its solution. People become homeless

because they can't afford a place to live. When homeless, people experience higher premature mortality rates, driven by events such as extreme weather, injuries, and treatable medical conditions. They are also more likely to suffer chronic pain due to factors such as unsuitable sleeping conditions.

Rental assistance decreases the likelihood that a low-income family falls into homelessness. A study showed that long-term housing subsidies reduce the number of families that are homeless or doubled-up by 50% and the number of families who experienced a stay in a homeless shelter by 75%.



## Criminal Justice & Housing

Individuals transitioning out of the criminal justice system face many barriers to housing and are especially vulnerable to homelessness. In fact, a study found that people were most likely to experience homelessness within the first 30 days after release from prison or jail. They need a good place to call home so that they can reconnect with society and rebuild their lives. Formerly incarcerated individuals who find stable affordable housing are less likely to go back to jail and prison than those who do not. In one study, people with criminal records who lived on the street were rearrested at double the rate compared to those who secured housing.



## Veterans & Housing

After serving our country bravely, veterans need access to decent, stable, affordable housing so they can thrive in the very neighborhoods they swore to defend. In 2012, about 1.79 million low-income veterans were cost-burdened (paying more than 30% of their income on housing), and 762,000 were severely cost-burdened (paying more than 50%).

In 2014, rental assistance helped 343,000 veterans afford housing. Rental assistance for veterans has proven highly effective in dramatically reducing homelessness, but there remains significant unmet need.

**Please see the campaign's website at [www.opportunityhome.org/related-sectors](http://www.opportunityhome.org/related-sectors) to learn more and explore the research presented in this section.**

# SOLVING THE CRISIS REQUIRES ROBUST INVESTMENTS

Solving the housing affordability crisis requires investments that will bring proven solutions to scale. The necessary investments will be substantial, yet are within our means.

The costs of reaching our goal depend heavily on the particular design and mix of policy strategies that policymakers choose. To get a sense of the magnitude of cost, here are some examples of ambitious proposals put forth recently by a bipartisan set of sponsors:

- The Children’s Defense Fund has proposed to provide housing vouchers to all families with children with incomes below 150 percent of the poverty line, and for whom market rents are unaffordable. This proposal, which the Urban Institute estimated would cost \$22.3 billion annually, would dramatically reduce family homelessness and lift an estimated 2.1 million children out of poverty, thereby reducing child poverty by 22 percent.<sup>8</sup>
- The Turner Center for Housing Innovation modeled three variations of new renter’s tax credits that would significantly reduce housing costs for low-income households. These proposals would serve between 13.3 – 15.1 million households and cost between \$41 - \$76 billion annually depending on the program design.<sup>9</sup>
- The Bipartisan Policy Center has proposed a new emergency assistance program that would invest \$3 billion annually to help an estimated 2.4 million households experiencing temporary financial crises to

avert the loss of housing.<sup>10</sup>

Our nation could comfortably afford more robust and equitable housing policy solutions, if we chose to make them a priority. Consider, for example, that:

- The 2017 tax cut law, which disproportionately benefited the nation’s corporations and highest-income households, is projected to cost \$1.9 trillion over the coming decade.
- According to economist Gabriel Zucman, American companies have been avoiding around \$70 billion each year in taxes by shifting profits to offshore tax havens.<sup>11</sup>
- The *annual* cost of the mortgage-interest deduction, which disproportionately benefits wealthier homeowners and does little to increase homeownership rates, is roughly \$77 billion.
- Research from Children’s HealthWatch found that unstable housing among families with children will cost the U.S. \$111 billion in avoidable health and education expenditures over the next ten years.<sup>12</sup>

We have the resources to invest in solutions – what is missing is the political will to fund these solutions at the scale necessary. Investments in affordable homes will generate multiplying returns in the form of higher educational attainment, increased economic mobility and productivity, reduced healthcare expenditures, increased investments to local economies, new jobs, and more.

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8 “Ending Child Poverty Now 2019.” Children’s Defense Fund, 2019, <https://www.childrensdefense.org/wp-content/uploads/2019/01/Ending-Child-Poverty-Now-2019.pdf>.

9 Galante, C. et al. (2016). “The FAIR Tax Credit: A Proposal for a Federal Assistance in Rental Credit to Support Low-Income Renters.” Turner Center for Housing Innovation UC Berkeley, [http://turnercenter.berkeley.edu/uploads/FAIR\\_Credit.pdf](http://turnercenter.berkeley.edu/uploads/FAIR_Credit.pdf).

10 Patenaude, P. et al. (2013). “Housing America’s Future: New Directions for National Policy.” Bipartisan Policy Center, [https://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC\\_Housing%20Report\\_web\\_0.pdf](https://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC_Housing%20Report_web_0.pdf).

11 Zucman, Gabriel. *The Hidden Wealth of Nations*. University of Chicago Press, 2015.

12 “Stable Homes Make Healthy Families.” Children’s HealthWatch. <http://childrenshealthwatch.org/wp-content/uploads/CHW-Stable-Homes-2-pager-web.pdf>.

# THE TIME TO ACT IS NOW

Being able to afford a decent home is a prerequisite for opportunity in America. The promises that our leaders make every election cycle — better health, better economic opportunity, better education — can be fulfilled only if our nation's families have safe, decent, affordable homes in which to live. America's housing sector is broken, at least for those vulnerable Americans at the bottom of the income scale — and the consequences affect all of us. It's time to act.





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# FOR MORE INFORMATION

To learn more about the campaign and ways you can get involved, visit [www.opportunityhome.org](http://www.opportunityhome.org).

You can also contact Mike Koprowski, National Campaign Director, at [mkoprowski@nlihc.org](mailto:mkoprowski@nlihc.org) or Chantelle Wilkinson, National Campaign Coordinator at [cwilkinson@nlihc.org](mailto:cwilkinson@nlihc.org).





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