



# WORST CASE HOUSING NEEDS

2015 REPORT TO CONGRESS





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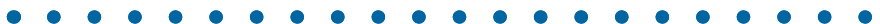
## 2015 REPORT TO CONGRESS

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Prepared for  
U.S. Department of Housing and Urban Development  
Office of Policy Development and Research

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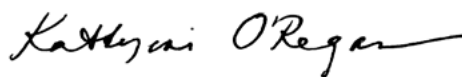
# FOREWORD

I am pleased to transmit to the U.S. Congress this 2015 report on Worst Case Housing Needs, prepared by staff of the U.S. Department of Housing and Urban Development (HUD). This report—the fifteenth in a longstanding series—provides national data and analysis of the critical problems facing low-income renting families. The report draws on data from the American Housing Survey (AHS), which is funded by HUD and conducted by the Census Bureau. The AHS has been conducted every 2 years since 1973 and is a key source of national data on housing markets, conditions, and dynamics.

As the nation's economy gathers strength, we find that benefits are flowing to renter households and have halted the recent rapid expansion of severe housing problems. In 2013, 7.72 million households had worst case needs, down from the record level of 8.48 million in 2011. These households are defined as very low-income renters who do not receive government housing assistance and who paid more than one-half of their income for rent, lived in severely inadequate conditions, or both. Despite the modest improvements in the extent of worst case needs, this report makes clear that worst case needs remain high, 9 percent greater than in 2009 and 49 percent greater than in 2003. Worst case needs continue to affect all subgroups, whether defined by race and ethnicity, household structure, or location within metropolitan areas or regions.

High rents in proportion to renter incomes remain the dominant cause of worst case needs. Modest gains in household incomes and demographic factors reduced the number of very low-income renters and thereby played a major role in reducing worst case needs between 2011 and 2013. Modest increases in the rental housing stock also helped restrain increases in rents. Nevertheless, affordable rental units remain scarce at the lowest income levels. Only 65 affordable units are available per 100 very low-income renters, and only 39 units are available per 100 extremely low-income renters. One factor in this affordable housing gap is that not all affordable units go to those with extremely low incomes; higher income renters occupy 41 percent of the units affordable to extremely low-income renters.

This report also uses new AHS enhancements to explore the relationship of housing instability and doubling up with worst case needs. These data show that the nation's most vulnerable renters both experience greater housing instability and face fewer housing options. These findings are concerning when we consider that 12 percent of affordable and available units for extremely low-income renters have severe deficiencies. Such facts show why HUD programs that provide rental assistance and spur the production of affordable housing are so crucial in creating stable housing for very low-income renters. The evidence in this report demonstrates that we have much to do to assure decent, affordable housing for every American family.



Katherine M. O'Regan  
*Assistant Secretary for Policy Development & Research  
Department of Housing and Urban Development*



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# EXECUTIVE SUMMARY

## WORST CASE HOUSING NEEDS 2015 REPORT TO CONGRESS

The U.S. Department of Housing and Urban Development finds that worst case housing needs decreased during the 2011-to-2013 period but persist at high levels across demographic groups, household types, and regions. Substantial unmet needs for affordable rental housing remain even as economic conditions are improving. The unmet need for decent, safe, and affordable rental housing continues to outpace the ability of federal, state, and local governments to supply housing assistance.

Worst case needs are defined as renters with very low incomes—below 50 percent of the Area Median Income (AMI)—who do not receive government housing assistance and who pay more than one-half of their income for rent, live in severely inadequate conditions, or both. *Worst Case Housing Needs: 2015 Report to Congress* examines the causes of and trends in worst case needs, using the most recent data from the American Housing Survey.<sup>1</sup>

### Worst Case Needs Have Decreased

The number of renter households with worst case needs decreased to 7.7 million in 2013 from the record high of 8.5 million in 2011, ending a sustained period of large increases. The number of worst case needs in 2013 is 9 percent lower than in 2011, yet it remains 9 percent greater than in 2009 and 49 percent greater than in 2003.

The likelihood that a very low-income renter household had worst case needs decreased from 44 percent in 2011 to 42 percent in 2013, about the same as in 2009. The decrease in worst case needs between 2011 and 2013 reflects both a smaller population of susceptible very low-income renters and a lower prevalence of severe housing problems among that population. The data suggest that the nation's ongoing economic recovery is beginning to have beneficial effects on the incomes and housing problems of very low-income renters.

<sup>1</sup> This Executive Summary and report are based on the Census Bureau's February 2015 release of the 2013 American Housing Survey. Estimates may differ slightly from those of the Executive Summary published in February 2015.

## Worst Case Needs Affect All Demographic Groups and Household Types

Worst case needs affect very low-income renters across racial and ethnic groups. The prevalence of worst case needs among such renters during 2013 was 44 percent for non-Hispanic Whites and Hispanics, 35 percent for non-Hispanic Blacks, and 42 percent for others. Worst case needs decreased between 2011 and 2013 for non-Hispanic Whites, non-Hispanic Blacks, and Hispanics but not for others.

Worst case needs also affect all types of households. In 2013, 2.8 million families with children, 1.5 million elderly households without children, 2.7 million “other nonfamily” households (unrelated people sharing housing), and 0.7 million “other family” households experienced worst case needs.

Compared with 2011 levels, worst case needs in 2013 decreased within the two largest categories—families with children and other nonfamily households—but changed little for the other categories. The proportion of very low-income renters with worst case needs in 2013 ranged somewhat narrowly from a high of 46 percent for other nonfamily households to 43 percent for other family households, 40 percent for families with children, and 37 percent for elderly households without children.

About one in seven renters with worst case needs—14 percent—included a nonelderly person with disabilities. The 1.1 million such households are 17 percent fewer than in 2011 but remain 10 percent above the 2009 estimate.

## Worst Case Needs Result From a Shortage of Affordable Rental Housing

Among worst case needs, most are caused by severe rent burdens—paying more than one-half of income for rent. Inadequate housing caused only 3 percent of worst case needs.

A decline by 1 million during 2011 to 2013 in the number of very low-income renters who lack housing assistance—the group at risk of experiencing worst case needs—explains about 520,000 cases of the 750,000 reduction in worst case needs. Four contradictory demographic factors affected the size of the at-risk group. Two factors contributed to an increase in worst case needs by 300,000 cases: a modest level of household formation and an ongoing (though slowing) shift from homeownership to renting. These factors were more than offset by two other demographic factors that contributed to declines in worst case needs: renter income increases (and changes in income limits) that raised renters out of the very low-income population and, to a lesser extent, a mitigation of the gap in rental assistance, which together accounted for 820,000 fewer worst case needs in 2013.

Having fewer unassisted, very low-income renters means having less demand for affordable units. Even if the housing supply were unchanged, we would expect decreased competition for affordable units, decreasing rents, and decreasing prevalence of worst case needs. The reduction in very low-income renters reflects, in part, the 7.2-percent increase in the median renter’s income over the 2011-to-2013 period. Further, because median rent increased only 1.0 percent, rent burdens decreased for many households. For these reasons, market-driven reductions in the proportion of unassisted very low-income renters with worst case needs account for a further decrease of 230,000 cases beyond the 520,000 attributed to demographic factors.

Modest expansions of the overall number of rental units were less important than household income and other demographic factors in affecting worst case needs. Although the total supply of rental units increased by 920,000, or 2.1 percent, between 2011 and 2013, renter households expanded by 1.43 million, or 3.7 percent. As a result, new renters absorbed all the net increase of rental units and also occupied 510,000 previously vacant units. The rental vacancy rate declined from 9.8 to 8.4 percent as the rental market tightened.

Although the number of renters increased overall, the number of renters with extremely low incomes (0 to 30 percent of AMI) decreased in 2013. An expanded number of affordable units became available for the smaller number of extremely low-income renters, increasing the ratio of affordable and available units by 3 from 2011 levels to 39 units per 100 renters. For very low-income renters, there was little change in availability, leaving the ratio at 65 units per 100 renters.

## Conclusion

Worst case housing needs are a national problem. They have expanded dramatically during the past decade and were exacerbated by the economic recession and associated collapse of the housing market, which reduced homeownership through foreclosures and increased demand for renting. During the most recent 2-year period, 2011 to 2013, worst case needs decreased modestly but significantly. The improvement is attributable primarily to demographic and economic factors—especially increasing renter incomes—that reduced the number of susceptible households. Modest housing market responses that reduced the proportion of unassisted very low-income renters with severe rent burdens played a secondary yet substantial role.

Even with rental assistance, 6 of 10 extremely low-income renters and 3 of 10 very low-income renters do not have access to affordable and available housing units. In 2013, there are 1.6 very low-income households with worst case needs for every very low-income household with rental assistance. A broad strategy at the federal, state, and local levels is needed to continue to rebuild the economy, strengthen the market, and provide assistance to those families most in need.

## SECTION

## 1

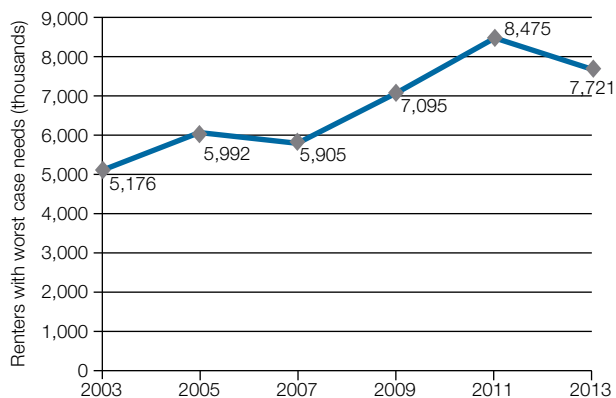
EXTENT AND NATURE OF  
WORST CASE NEEDS

## Extent of Worst Case Needs in 2013

As the nation emerges from the upheaval in the homeownership market and economic recession, HUD examined the 2013 AHS data to understand the current dimensions of a persistently expanding shortage of decent and affordable rental housing for lower income households. The basic facts presented and examined in the following pages are—

- In 2013, 7.72 million renters<sup>3</sup> had worst case needs (see exhibit 1-1). These renters have very low incomes,<sup>4</sup> lack housing assistance, and have either severe rent burdens or severely inadequate housing (or both).

EXHIBIT 1-1. CHANGE IN WORST CASE HOUSING NEEDS, 2003–2013



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

The U.S. Department of Housing and Urban Development (HUD) is the largest federal provider of affordable rental housing. In response to a request by Congress in 1991, HUD's Office of Policy Development and Research (PD&R) periodically reports on the severity of worst case needs for affordable rental housing, as collected in the biennial American Housing Survey (AHS). This report is the 15th in the series of core reports.<sup>2</sup>

<sup>2</sup> The U.S. Department of Housing and Urban Development's (HUD's) Office of Policy Development and Research (PD&R) supplements the core reports on worst case needs with periodic topical reports. For a list of previous titles, see "Previous Reports to Congress on Worst Case Needs" in appendix D.

<sup>3</sup> That is, renter households.

<sup>4</sup> *Very low income* and *extremely low income* refer throughout this report to the income levels of renters. Very low incomes are those incomes of no more than 50 percent of the Area Median Income (AMI), and extremely low incomes are those incomes of no more than 30 percent of AMI—typically below the poverty line. HUD programs use AMI based on local family incomes with adjustments for household size, more precisely known as HUD-adjusted area median family income, or HAMFI (see appendix E). Nationwide, the AMI averaged \$63,200 in 2014, placing the very low-income level at \$28,100 per year and the extremely low-income level at \$16,800 per year. All these income levels are for a family of four. Extremely low- and very low-income families can have incomes much less than these national thresholds if they have fewer than four members or live in areas with lower median family incomes.

- During 2013, the number of worst case needs began to decline after a long period of growth. A 9-percent reduction of worst case needs during the 2011-to-2013 period partially mitigated the 43-percent increase of the 2007-to-2011 period.
- The primary problem in 2013 remains *severe rent burdens*—insufficient tenant incomes relative to rents. Severely inadequate housing accounts for only 3 percent of worst case needs.
- The dramatic increase in worst case needs since 2007 reflected the impact of the economic and housing crises, with mortgage foreclosures, widespread unemployment, and shrinking renter incomes adding many very low-income renters who are vulnerable to worst case needs.
- In 2013, there are 18.50 million very low-income renters, a 4-percent reduction from 2011 levels, with a number of them experiencing significant income increases that helped them escape worst case needs status.

**WHICH HOUSEHOLDS CAN HAVE WORST CASE NEEDS?**

By definition, households that can have worst case needs are households that—

- Are renters.
- Have *very low incomes*; that is, incomes of no more than 50 percent of the Area Median Income (as adjusted for family size).
- Do not receive housing assistance.

**PRIORITY PROBLEMS TRIGGER WORST CASE NEEDS**

Two types of priority problems determine whether households have worst case needs.

1. *Severe rent burden* means a renter household is paying more than one-half of its income for gross rent (rent and utilities).
2. *Severely inadequate housing* refers to units having one or more serious physical problems related to heating, plumbing, and electrical systems or maintenance. (Problems are listed in appendix E.)

- Housing assistance prevents millions of worst case needs, and, between 2011 and 2013, modest reductions of the shortage of affordable housing also helped narrow the gap and reduce the number of worst case needs.
- An important dimension of the affordable housing gap is that affordable units are not necessarily available to the renters who need them most; higher income renters occupy substantial shares of units that would be affordable to the lowest income renters.

With these key facts in mind, section 1 explores the current extent and the demographic characteristics of worst case needs—which households have such needs and what are their situations.

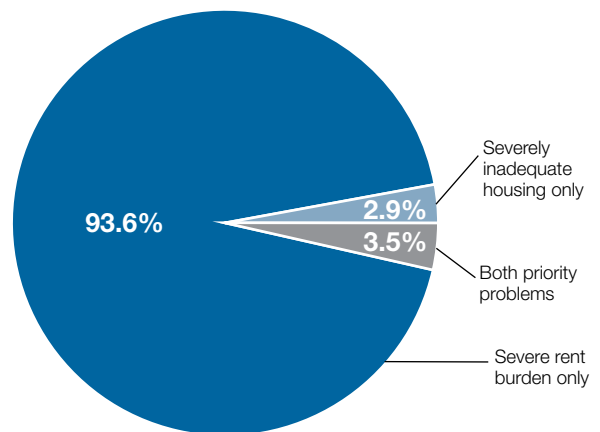
**WHAT IS A TYPICAL WORST CASE NEEDS HOUSEHOLD?**

The typical renter with worst case housing needs is a family with two children, most often a minority family headed by either a single female or a husband and wife. The family resides in adequate or good-quality housing in a suburb of a southern metropolitan area. Earnings are the family’s primary source of income, yet their low wages place them below the poverty line and in the extremely low-income category. Their rent plus utilities cost more than \$930 per month, consuming most of their reported income. They meet other needs with food stamps from the Supplemental Nutrition Assistance Program, Medicaid, gifts from friends and relatives, and Earned Income Tax Credits.

**Inadequate Housing and Inadequate Income**

Of the two types of priority problems that make up worst case needs, severe rent burden is, by far, the more frequent problem. As exhibit 1-2 illustrates, 97.1 percent of all worst case needs renters, or 7.48 million households, had severe rent burdens in 2013. Paying one-half of a limited total income for rent leaves very little income for other essentials, such as food, medical care, transportation expenses, education, and childcare.

**EXHIBIT 1-2. PRIORITY PROBLEMS CAUSING WORST CASE NEEDS, 2013**



Note: N = 13.742 million unassisted very low-income renters.  
Source: HUD-PD&R tabulations of American Housing Survey data

Severely inadequate housing alone makes up only 2.9 percent of worst case needs. A total of 6.4 percent of worst case renters (500,000) had severely inadequate housing, either alone or in combination with severe rent burdens.

That severely inadequate housing causes such a small fraction of worst case needs is the result of a decades-long trend of improvements to the nation's housing stock. More stringent building codes prevent the construction of units without complete plumbing or heating systems, and obsolete units are demolished each year. In addition, a portion of severe physical inadequacies reported in the AHS likely results from or reflects maintenance or upgrade activity

### PROGRESS IN REDUCING HOMELESSNESS

Homeless individuals and families clearly have worst case needs for affordable or assisted housing. Homeless people, however, are not included in official estimates of worst case needs because the American Housing Survey covers only housing units and the households that live in them, and homeless populations are difficult to survey or count.

In the most recent *Annual Homeless Assessment Report to Congress*, HUD estimated that 578,000 sheltered and unsheltered homeless people were in the United States during a given night in January 2014. Most of these, 69 percent, were staying in residential programs for homeless people, and the remaining 31 percent were staying in unsheltered locations (HUD-CPD 2014).

Homelessness declined 2 percent between 2013 and 2014 and has declined 11 percent since 2007. Chronic homelessness among individuals declined 30 percent between 2007 and 2014.

occurring in occupied units. Among all renters, 3.6 percent of those with very low incomes have severely inadequate housing, but so do 2.6 percent of those with higher incomes.<sup>5</sup> Nevertheless, the housing stock is continually aging, and severely inadequate units continue to pose threats to the life and health of thousands of renters.

### Prevalence of Worst Case Needs by Income

Because most cases of worst case needs are triggered by severe rent burdens, the adequacy of household incomes relative to rents of available units is crucial. Among the 18.5 million very low-income renters in 2013, 41.7 percent had worst case needs (exhibit 1-3). The very low-income category includes extremely low-income renters, who have an even greater prevalence of worst case needs, 50.5 percent. Because extremely low-income households constitute the majority (60.0 percent) of very low-income renters, nearly three out of four (72.6 percent) households with worst case needs had extremely low incomes during 2013.

### Increase in Worst Case Needs

The substantial recent growth of worst case needs ceased during the 2011-to-2013 period. The 7.72 million worst case needs in 2013 were 750,000, or 9 percent fewer than observed in 2011. Whereas 2011 had 19 percent more worst case needs than 2009 and 44 percent more than 2007, by 2013 the increase since 2007 was dialed back to 31 percent. Further, the latest result is the first significant decrease<sup>6</sup> after a decade-long period of growth. Between 2001 and 2011, the number of renters with worst case needs increased 69 percent, or by 3.46 million. Shifting forward just 2 years, the increase in renters with worst case needs was 49 percent, or 2.54 million, during the 2003-to-2013 span.

Worst case needs also decreased as a proportion of U.S. households during the most recent 2-year period, from 7.4 percent in 2011 to 6.7 percent in 2013 (exhibit 1-4).

### EXHIBIT 1-3. WORST CASE NEEDS AMONG VERY LOW-INCOME RENTERS IN 2013

	0–30% AMI	30–50% AMI	Total
Number (thousands)	11,104	7,397	18,501
Number that are worst case needs renters (thousands)	5,607	2,114	7,721
Percent that are worst case needs renters	50.5	28.6	41.7

AMI = Area Median Income (HUD-adjusted)

Note: *Very low income* and *extremely low income* refer throughout this report to the income levels of renters. Very low incomes are those incomes of no more than 50 percent of the AMI, and extremely low incomes are those incomes of no more than 30 percent of AMI—typically below the poverty line.

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

<sup>5</sup> Severely inadequate housing is less frequently reported to the AHS by homeowners than by renters: 1.9 percent of very low-income homeowners and 0.8 percent of homeowners with higher incomes. See table A-1b.

<sup>6</sup> The replicate weights needed to determine statistical significance of changes had not been completed by the Census Bureau in time for HUD to determine the statistical significance of observed changes in this report.

EXHIBIT 1-4. TRENDS IN WORST CASE NEEDS AMONG ALL U.S. HOUSEHOLDS

	2003	2005	2007	2009	2011	2013
All households (millions)	105.87	108.9	110.72	111.86	115.08	116.03
Renters with worst case needs (millions)	5.18	5.99	5.91	7.10	8.48	7.72
Worst case needs as percent of all households	4.89	5.50	5.33	6.34	7.36	6.65

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

Because the problem of worst case needs is primarily one of a scarcity of units with affordable rents relative to the number of renters with very low incomes, the balance of section 1 examines the demographics of the renters who have these problems. Section 2 explores the dimensions of the inadequate supply of affordable rental units, and section 3 summarizes and integrates supply and demand issues to shed light on the root causes and shifting dimensions of this national problem.

### Demographics of Worst Case Needs

Worst case needs are an economic reality for many of the nation’s very low-income renters. The severe housing problems that trigger worst case needs are widespread for such households, yet notable variations exist among subgroups of the population.

Exhibit 1-5 shows population subgroups defined either on the basis of race and ethnicity (gray markers) or on the basis of household structure (blue markers). The position of the markers reflects each subgroup’s share of very low-income renters and the rate at which such renters experience worst case needs. As a share of very low-income renters, the subgroups span a range of 38 percentage points. The subgroups span a somewhat narrower range of 30 percentage points regarding the proportion of very low-income renters with worst case needs.

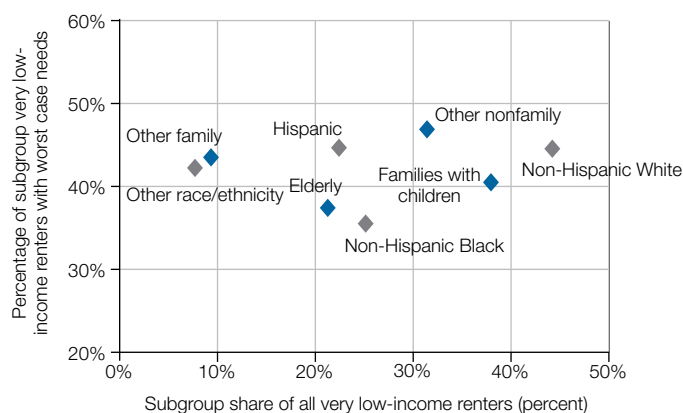
The subgroups that appear in the upper right quarter of this chart would generally be expected to have majority shares of worst case needs because they combine larger populations of vulnerable renters with greater prevalence of worst case needs. Such subgroups include non-Hispanic Whites, families with children, and other nonfamily households (which include single adults and roommates). Hispanic households are not far from this group, because they combine a relatively high prevalence with a modest population size.

### Worst Case Needs by Race and Ethnicity

Worst case needs are found across all types of communities, racial groups, and ethnic lines. Among the three largest groups as defined by race and ethnicity (non-Hispanic White, non-Hispanic Black, and Hispanic), however, similarities and differences emerge.

During 2013, non-Hispanic White renters experienced the greatest share of worst case needs—47 percent—followed by non-Hispanic Blacks with 21 percent, Hispanics with 24 percent, and other

EXHIBIT 1-5. DEMOGRAPHIC SUBGROUPS BY SHARE OF VERY LOW-INCOME RENTERS AND PREVALENCE OF WORST CASE NEEDS, 2013



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

race/ethnicity with 8 percent. Together, the three largest race and ethnicity groups accounted for 92 percent of worst case needs in 2013.

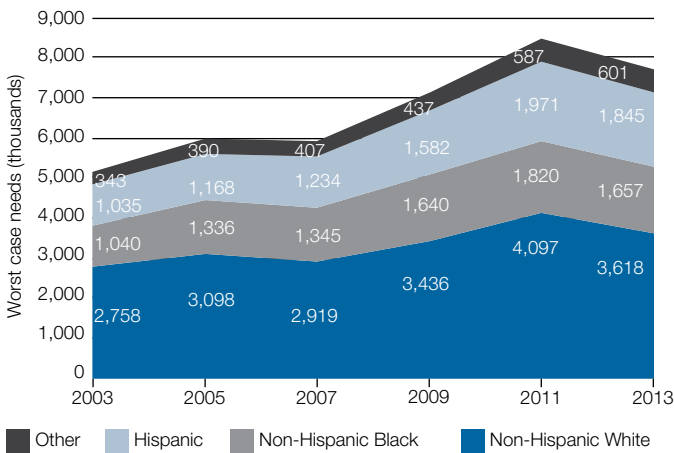
The share of worst case needs approximates the relative share of very low-income renters in each group. Variations exist, however, related to differences in the proportion of each group with worst case needs. During 2013, worst case needs affected 44.0 percent of non-Hispanic White renters with very low incomes and nearly the same proportion of Hispanics—44.1 percent. Prevalence was significantly lower for non-Hispanic Blacks, at 35.5 percent, and other very low-income renters fell between, with 42.1 percent having worst case needs.

Exhibit 1-6 shows that the largest racial and ethnic groups experienced decreases of worst case needs between 2011 and 2013. The 760,000 fewer cases of worst case needs in 2013 reflect 480,000 fewer non-Hispanic White households, 160,000 fewer non-Hispanic Black households, and 130,000 fewer Hispanic households. Worst case needs edged up among other very low-income renters.

The prevalence of worst case needs among very low-income renters decreased between 2011 and 2013 by 1.9 points for non-Hispanic Whites, 4.0 points for non-Hispanic Blacks (eliminating the 3.0 point increase during 2009 to 2011), 1.3 points for Hispanics, and 0.4 points for the other race/ethnicity subgroup (despite the absolute increase in numbers for this subgroup).

Exhibit 1-6 also illustrates how population change affects the long-term growth of worst case needs. Between 2003 and 2013, worst case needs increased 49 percent overall but increased only 31 percent for the largest subgroup of very low-income renters, non-Hispanic Whites. Worst case needs expanded much more rapidly during these 10 years among the minority subgroups: 59 percent among non-Hispanic Blacks, 78 percent among Hispanics, and 75 percent among other race/ethnicity households. Disproportionate increases in cases of worst case needs among minority groups, however, are explained more by greater expansion of very low-income renter populations than by greater increases in prevalence.

**EXHIBIT 1-6. COMPOSITION AND TRENDS OF WORST CASE NEEDS BY RACE AND ETHNICITY, 2003–2013**



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

### Worst Case Needs by Household Type

The composition of different households reflects variations in their stage of life, income and resources, and housing needs. Exhibit 1-7 shows that families with children constitute the largest share of households experiencing worst case needs in 2013—40 percent—followed by other nonfamily households with 35 percent, elderly households without children (hereafter, elderly households) with 19 percent, and other family households with 10 percent.

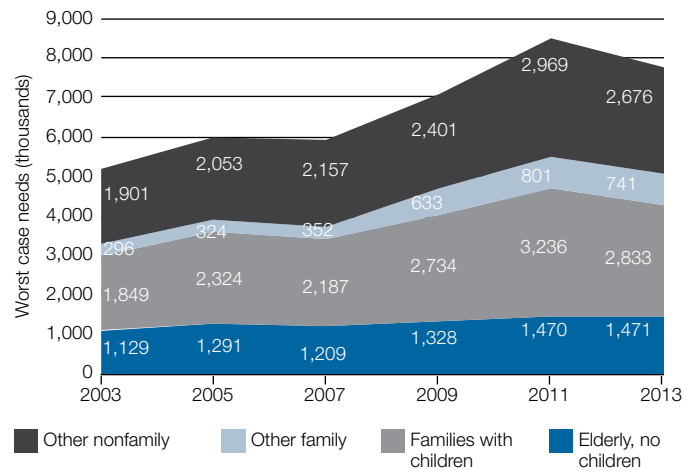
#### Families With Children

The number of families with children having worst case needs declined by 400,000 during the 2011-to-2013 period to 2.83 million—mitigating the 500,000 increase observed in the previous 2 years. The decrease is explained primarily by a reduction of 540,000 in the number of very low-income renters with children. The prevalence of worst case needs declined by 2.5 points (to 40.3 percent) as the percentage reporting housing assistance increased by 1.5 points (to 26.2 percent). The actual number of such families reporting housing assistance, however, was essentially unchanged.

<sup>7</sup> Estimates of the number of rental households that report receiving rental housing assistance are presented for various subgroups in the tables of appendix A.

<sup>8</sup> HUD defines *elderly households* as those having a household head or spouse who is at least age 62 and including no children younger than age 18.

**EXHIBIT 1-7. COMPOSITION AND TRENDS OF WORST CASE NEEDS BY HOUSEHOLD TYPE, 2003–2013**



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

Without housing assistance, substantially more cases of worst case needs would occur. Among very low-income renters with children, an estimated 1.84 million had rental assistance in 2013 and, by definition, could not have worst case needs. Only one in four very low-income renters with children receive housing assistance, which helps account for the fact that the greatest share of worst case needs occur in such families.<sup>7</sup>

#### Elderly Households

During 2013, 1.47 million elderly<sup>8</sup> renters had worst case needs, unchanged from the 2011 estimate. The proportion of elderly very low-income renters with worst case needs was 37.2 percent in 2013, less than the rate for families with children and about the same as in 2011. This stability suggests that the economic recovery of recent years was not of significant benefit for poor elderly households that rely on fixed incomes rather than wages.

#### Other Family Households

After considering families with children and elderly households, other family households can be divided into those that include multiple members of a given family and those that do not. Other family households include those such as married couples who are childless or have adult children at home, adult siblings sharing an apartment, and householders boarding an elderly parent. As such, other family households may include people who otherwise would choose to live independently but who instead “double up” by moving in with relatives because of economic distress.

Other family households constitute the smallest category in exhibit 1-7, contributing 740,000 worst case needs in 2013. The rate of worst case needs among very low-income renters of this group is

43.1 percent, which exceeds the prevalence for families with children and elderly households. The prevalence, however, declined by 1.8 points between 2011 and 2013.

### Other Nonfamily Households

About 5.80 million very low-income renters in 2013 were other nonfamily households, making this category the second largest after families with children. Like families with children, other nonfamily households decreased in number from 2011 to 2013.

Worst case needs affected 2.68 million other nonfamily households in 2013, 290,000 fewer than in 2011. Worst case needs affect 46.1 percent of very low-income renters of this type, which is the highest prevalence rate among the four household categories. Nevertheless, prevalence improved by 3.5 percentage points from the 2011 rate. Most renters in this group are single individuals, and the rest are unrelated people sharing a housing unit.<sup>9</sup>

### Trends by Household Type

Exhibit 1-7 also displays how the changing distribution of household types relates to the growth of worst case needs. Between 2003 and 2013, worst case needs increased 49 percent. During this period, worst case needs increased among all household types. Worst case needs expanded at a slower-than-average pace among elderly households—30 percent—and among other nonfamily households—41 percent. Worst case needs grew more rapidly among families: 53 percent among families with children and 150 percent among other family households—although this rapidly growing subgroup remains the smallest.

### Households Including People With Disabilities

Having worst case needs can be especially difficult for renter households that include people with disabilities. Disabilities can reduce employment options and create difficulties in finding suitable housing at reasonable cost.

Beginning with the 2009 AHS, respondents were asked directly whether household members have any of six types of disabilities, including four basic functional limitations—visual, hearing, cognitive, and ambulatory—and two types of difficulties with activities of daily living—self-care and independent living. Ambulatory limitations (walking or climbing stairs) are the most frequently occurring type of disability, affecting 58 percent of very low-income renter households that include a nonelderly person with a disability. Cognitive limitations (serious difficulties concentrating, remembering, or making decisions) are next in prevalence, affecting 46 percent of these households.<sup>10</sup> People with disabilities are found among all four household types discussed previously. As exhibit 1-8 shows, 2.8 million very low-income

### DISABILITY AND ACCESSIBILITY IN THE AMERICAN HOUSING SURVEY

Since 2009, the American Housing Survey (AHS) has collected information about the following types of disabilities:

- Deafness or serious difficulty hearing.
- Blindness or difficulty seeing, even when wearing glasses.
- Serious difficulty concentrating, remembering, or making decisions because of a physical, a mental, or an emotional condition.
- Serious difficulty walking or climbing stairs.
- Serious difficulty dressing or bathing.
- Difficulty doing errands alone because of a physical, a mental, or an emotional condition.

The 2011 AHS also included a Housing Modification module of questions related to the physical accessibility of housing units for individuals with mobility restrictions. Future AHS surveys may periodically include a similar module:

- Use of mobility assistance items such as a wheelchair, scooter, chairlift, or walker.
- Presence of accessibility features such as ramps, elevators, bedrooms on the entry level, wide hallways, or accessible controls.
- Difficulties that occupants may face in using home features.

For further information, see *Codebook for the American Housing Survey, Public Use File: 1997–2013* (HUD-PD&R, 2013).

renter households, or 15.2 percent, include nonelderly individuals<sup>11</sup> reporting at least one of the six measures of disability. Of the 7.72 million renters with worst case needs in 2013, 1.09 million, or 14.1 percent, included one or more nonelderly people with disabilities. Worst case needs among such households decreased by 17 percent from 1.31 million in 2011 but remain 10 percent above the 2009 estimate.

The prevalence of worst case needs among very low-income renter households having nonelderly people with disabilities was 38.7 percent in 2013, down from 42.6 percent in 2011. The prevalence ranges from 36.0 percent for other nonfamily households to 46.7 percent for other family households. The largest household categories, however, account for most cases of worst case needs affecting people with disabilities: of those affected, 36 percent are families with children and 45 percent are other nonfamily households.

<sup>9</sup> The AHS does not include college students living in institutional housing, but it may include students sharing off-campus housing and other households in which individuals double up to share housing expenses.

<sup>10</sup> The data about types of limitations are summarized in appendix A, table A-15. Also see HUD-PD&R (2008).

<sup>11</sup> The analysis is limited to nonelderly people with disabilities because many elderly people suffer from impairments and activity limitations as a predictable consequence of aging. Note, however, that nonelderly people with disabilities may be found in elderly households, as exhibit 1-8 demonstrates. Households headed by an elderly person with disabilities are not excluded if they also have a nonelderly person with disabilities.



**EXHIBIT 1-8. WORST CASE NEEDS AND PRESENCE OF NONELDERLY PEOPLE WITH DISABILITIES, BY HOUSEHOLD TYPE, 2013**

	Families With Children	Elderly Households Without Children	Other Family Households	Other Nonfamily Households	Total
Very low-income renter households (thousands)	7,023	3,955	1,720	5,802	18,500
Worst case needs (thousands)	2,833	1,471	741	2,676	7,721
Percent with worst case needs	40.3	37.2	43.1	46.1	41.7
Percent having nonelderly people with disabilities	14.5	2.8	24.4	21.7	15.2
Very low-income renter households having nonelderly people with disabilities (thousands)	1,018	110	420	1,257	2,805
Worst case needs (thousands)	397	41	196	452	1,086
Percent with worst case needs	39.0	37.3	46.7	36.0	38.7

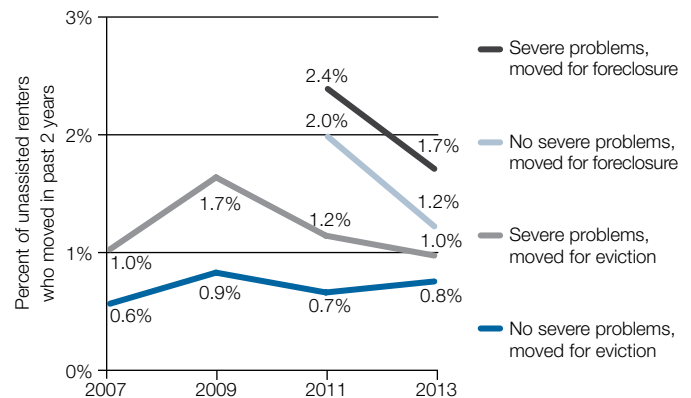
Source: HUD-PD&R tabulations of American Housing Survey data

## Housing Instability, Doubling Up, and Worst Case Needs

The housing market downturn that began in 2007 increased housing instability by exposing households to eviction and foreclosure. Some households find new homes or receive assistance, but others must double up by moving in with family or friends. Those lacking such options end up in homeless shelters or on the streets. In 2013, the AHS shed light on how housing instability and doubling up relate to worst case needs.

Eviction and foreclosure are decreasing as the cause of moving among unassisted renter respondents who moved into their housing units in the past 2 years (exhibit 1-9). The improvement suggests that the impacts of the housing crisis and unemployment are diminishing. Both eviction and foreclosure are cited more frequently among recent movers with severe housing problems than among those without severe problems. In 2013, eviction and foreclosure together accounted for 2.7 percent of moves for recent movers with severe problems compared with 2.0 percent of moves among those without severe problems.

Doubling up enables households to pool resources and reduce housing burdens. As exhibit 1-10 shows, however, the income contributed by in-movers does little to protect unassisted renter households from the severe rent burdens that cause the most cases of worst case needs. In-mover income effectively reduces the prevalence of worst case needs by only 0.4 percentage points, or 51,000 households. These data suggest that for unassisted very low-income renters, doubling up does not greatly benefit the

**EXHIBIT 1-9. FOR UNASSISTED RENTER RESPONDENTS WHO RECENTLY MOVED, FORECLOSURE AND EVICTION ARE DECREASING AS THE CAUSE**

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

original household economically, although it may be critical for the in-movers who might otherwise face severe worst case needs or even homelessness.<sup>12</sup>

Severe housing cost burdens make it difficult for households to keep up with rent and utility payments, which has real consequences for housing stability. Missed rent payments increase the likelihood of eviction; missed utility payments increase the likelihood that utilities will be shut off.

<sup>12</sup> Previous PD&R-sponsored research, *Analysis of Trends in Household Composition Using American Housing Survey Data*, analyzed changes in doubled-up households in the AHS between 2003 and 2009. Households were defined as doubled up when they included members other than the householder, the householder's spouse or partner, and minor children. Adult children were the most common type of other household member in doubled-up households between 2003 and 2009. Resources of the primary family and interactions with family and friends in need were found to be important determinants of doubling up. Households with primary family income below the poverty line were less likely to be doubled up, as were those with householders with higher education or who had worked in the last week. While employed people with higher education may have more resources to take in friends and relatives who need assistance, because of income segregation, they may have less interaction with friends and relatives who need a place to stay (Econometrica, 2013).

**EXHIBIT 1-10. INCOME OF IN-MOVERS DOES LITTLE TO REDUCE PREVALENCE OF WORST CASE NEEDS AMONG UNASSISTED VERY LOW-INCOME RENTERS WHO DOUBLE UP, 2013**

Worst Case Needs	Standard Measurement, Including In-Mover Income	Measured Without In-Mover Income	Impact of In-Mover Income
Percent	56.2	56.6	- 0.4
Number (thousands)	7,721	7,772	- 51

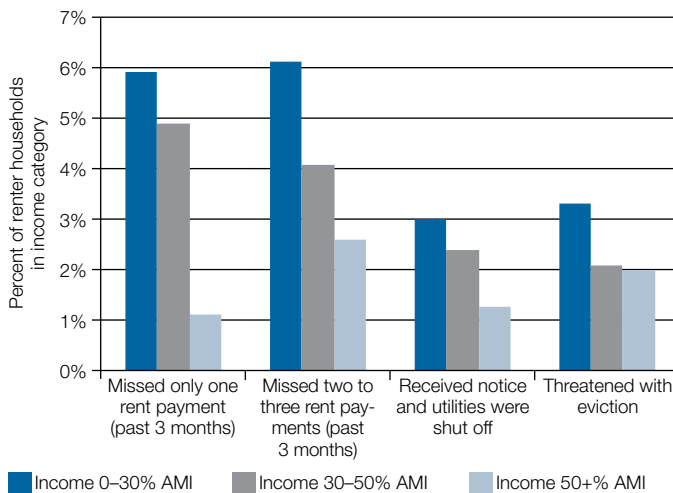
Note: N = 13.706 million unassisted very low-income renters.

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

Exhibit 1-11 shows how common housing instability is for renters with worst case needs. Among unassisted extremely low-income renters with severe problems, 6 percent missed one rent payment and another 6 percent missed two or three rent payments in the past 3 months, 3 percent had their utilities shut off, and 3 percent were threatened with eviction. Housing instability is only slightly less prevalent for those in the next higher income group of 30 to 50 percent of AMI, but missed rent payments are more likely to be episodic rather than chronic. While renters with incomes at 50+ percent of AMI were less likely to miss rent payments and have their utilities shut off, they were just as likely as very low-income renters to be threatened with eviction.

Severe housing problems are associated with significantly greater housing instability. For unassisted extremely low-income households, having severe housing problems increases the likelihood of missing one rent payment by 155 percent, of missing two or three payments by 84 percent, and of being threatened with eviction by 58 percent.

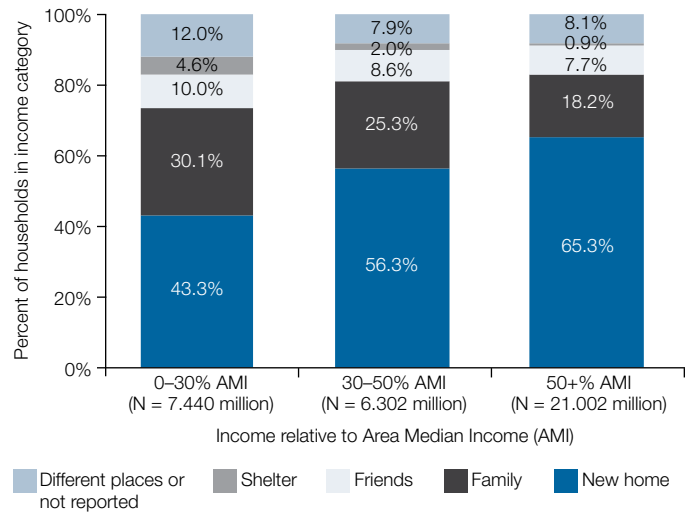
**EXHIBIT 1-11. RISK OF HOUSING INSTABILITY FOR UNASSISTED RENTERS WITH SEVERE HOUSING PROBLEMS INCREASES AT LOWEST INCOMES, 2013**



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

Just as households at different income levels vary on their risk of eviction, they also vary in their perception of their housing options after eviction (exhibit 1-12). Most renters with incomes above 30 percent of AMI report that they would simply find a new home if evicted. Extremely low-income renters are more likely to say that they would move in with family (30 percent) or friends (10 percent). Further, 4.6 percent of extremely low-income renters report that they would be forced to find homeless shelters if evicted, twice the rate of those with incomes of 30 to 50 percent of AMI and five times the rate of those with higher incomes.

**EXHIBIT 1-12. PERCEIVED HOUSING OPTIONS OF UNASSISTED RENTERS IF THEY SHOULD BE EVICTED, BY RELATIVE INCOME, 2013**



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

## Summary

Despite improvements since 2011, worst case needs for affordable rental housing remain a serious national problem. Of the 18.50 million very low-income renters susceptible to severe rent burdens and severely inadequate housing in 2013, 7.72 million—41.7 percent—faced one or both problems without housing assistance. The number of worst case needs declined 9 percent since 2011, partially mitigating increases of 19 percent between 2009 and 2011 and 44 percent between 2007 and 2011. Nevertheless, the nation has 49 percent more worst case needs in 2013 than in 2003, or 2.54 million households. The percentage of U.S. households with worst case needs was 6.7 percent in 2013 compared with 4.9 percent in 2003.

Severely inadequate housing continues to be a relatively minor cause of worst case needs. In 2013, severely inadequate housing alone triggered only 2.9 percent of worst case needs, whereas 97.1 percent of worst case needs households had severe rent burdens, including 3.5 percent that had both types of housing problems. Reflecting the importance of severe rent burdens as a cause of worst case needs, nearly three out of four households with worst case needs (72.6 percent) had extremely low incomes during 2013.

Among very low-income renters, no racial or ethnic group and no household composition examined are exempt from worst case needs. Nevertheless, the prevalence rate decreased between 2011 and 2013 by 4.0 points for non-Hispanic Blacks, 1.9 points for non-Hispanic Whites, 1.3 points for Hispanics, and 0.4 points for the other race/ethnicity subgroup (despite the absolute increase in numbers for this subgroup). The decrease in prevalence for non-Hispanic Blacks erased the 3.0 point increase observed during 2009 to 2011.

Among very low-income renters, worst case needs affect 40.3 percent of families with children, 37.2 percent of elderly households, 43.1 percent of other family households, and 46.1 percent of other nonfamily households. Families with children account for the greatest share of worst case needs—40 percent—followed by other nonfamily households with 35 percent.

Worst case needs affected 38.7 percent of very low-income renters reporting nonelderly people with disabilities in 2013, slightly less than the 41.7 percent prevalence among very low-income renters overall. Households having nonelderly people with disabilities accounted for 14.1 percent of worst case needs.

Section 2 examines how the broad problem of worst case needs is caused by shortages of affordable housing and is mitigated by assisted housing in national and regional markets.



## SHORTAGE OF AFFORDABLE HOUSING

# SECTION 2

The supply of rental units that are affordable to very low-income renters, especially those with extremely low incomes, is inadequate. Nationwide, only 65 affordable units exist for every 100 extremely low-income renters. The presence of higher income renters in units that are affordable to extremely low-income renters worsens this shortage. Only 39 affordable units are available for occupancy for every 100 extremely low-income renters. A final blow is that a significant portion of the affordable and available stock is physically inadequate and may pose threats to occupants. The geography of worst case needs and housing assistance sets a foundation for understanding competition for affordable rental housing and the shortages that result.

### Geography of Worst Case Needs

Housing markets are local markets. To a greater extent than wealthier renters, very low-income and extremely low-income renters find their choice of housing units limited to those in their current communities and neighborhoods.

As a relatively small national survey, the American Housing Survey does not support biennial estimates of worst case needs for most individual metropolitan areas.<sup>13</sup> It does, however, support an examination of three types of metropolitan locations—central city, suburb, and nonmetropolitan or rural areas—and of four geographic regions—the Northeast, Midwest, South, and West. This analysis by regional and metropolitan status, although at a macro level, adds considerable depth to the national picture of worst case needs.

### Worst Case Needs and Housing Assistance by Region and Metropolitan Location

A key aspect of the definition of *worst case needs* is that it can be understood as an indicator of need for affordable housing. Because rental housing with deep public subsidies falls into the “affordable” range, the definition of worst case needs excludes renters with housing assistance. Examining the spatial distribution of housing assistance<sup>14</sup> and of worst case needs together provides information about the extent to which assistance is mitigating severe housing problems.

<sup>13</sup> Through 2009, HUD and the Census Bureau conducted periodic AHS metropolitan surveys to supplement the national AHS. In 2011, the national AHS began incorporating metropolitan oversamples to provide consistent data on the larger areas over time.

<sup>14</sup> AHS questions about receipt of rental assistance are designed to focus on federal housing assistance programs. These data result in an estimate of 4.76 million self-reported very low-income households with housing assistance that is comparable to HUD’s program total. See the discussion of housing assistance status in appendix E.

Exhibit 2-1 shows the distribution of the nation's 18.50 million very low-income renters across the four census regions and three metropolitan categories. On a regional basis, most very low-income renters—6.35 million—live in the South, 4.65 million live in the West, 3.80 million live in the Northeast, and 3.69 million live in the Midwest.

Central cities are home to most (8.50 million) very low-income renters, followed by suburbs<sup>15</sup> (6.58 million) and nonmetropolitan areas (3.42 million).<sup>16</sup>

Like very low-income renters, worst case needs are common in every region and metropolitan category across the nation. As a national average, 41.7 percent of very low-income renters have worst case needs. The prevalence of worst case needs among very low-income renters is greater than the national average in the West and in suburbs and is somewhat less than average in the Midwest and in nonmetropolitan areas.

Exhibit 2-1 also demonstrates the important role housing assistance plays in reducing worst case needs. Nationwide, 4.76 million very low-income renters—25.7 percent—report receiving housing assistance compared with the 41.7 percent having worst case needs. Thus, 1.6 very low-income renters have worst case needs for every 1 that is assisted, an improvement from the 1.8 ratio seen in 2011.<sup>17</sup>

Housing assistance is relatively less common in the suburbs, where only 20.5 percent of very low-income renters are assisted, and especially in the newer suburbs of the South and the West. The prevalence of housing assistance for very low-income renters also varies on a regional basis, ranging from 21.9 percent in the West to 32.6 percent in the Northeast. Areas that developed during an earlier period continue to draw benefits from an established but aging stock of public housing.

**EXHIBIT 2-1. NUMBER OF VERY LOW-INCOME RENTERS AND PREVALENCE OF WORST CASE NEEDS AND HOUSING ASSISTANCE, BY REGION AND METROPOLITAN LOCATION, 2013**

Region	Metropolitan Location			Total
	Central Cities	Suburbs	Nonmetropolitan Areas	
<b>Northeast (thousands)</b>	<b>2,175</b>	<b>1,216</b>	<b>413</b>	<b>3,804</b>
Percent with worst case needs	39.5	43.0	38.5	40.5
Percent with housing assistance	34.2	27.4	40.0	32.6
<b>Midwest (thousands)</b>	<b>1,770</b>	<b>1,122</b>	<b>801</b>	<b>3,692</b>
Percent with worst case needs	37.7	43.0	30.0	37.6
Percent with housing assistance	27.3	21.0	36.0	27.3
<b>South (thousands)</b>	<b>2,531</b>	<b>2,298</b>	<b>1,521</b>	<b>6,350</b>
Percent with worst case needs	40.1	44.7	37.5	41.1
Percent with housing assistance	27.1	17.4	26.6	23.5
<b>West (thousands)</b>	<b>2,025</b>	<b>1,948</b>	<b>681</b>	<b>4,654</b>
Percent with worst case needs	47.2	47.8	42.7	46.8
Percent with housing assistance	23.4	19.5	24.7	21.9
<b>Total (thousands)</b>	<b>8,501</b>	<b>6,583</b>	<b>3,416</b>	<b>18,500</b>
Percent with worst case needs	41.1	45.0	36.9	41.7
Percent with housing assistance	28.1	20.5	30.0	25.7

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

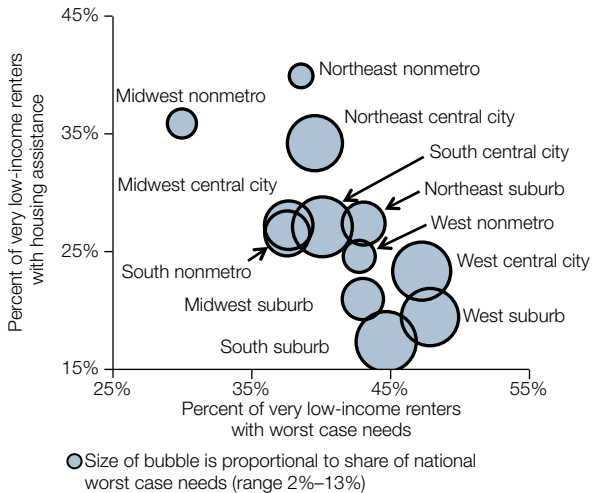
<sup>15</sup> Suburbs include a small number of respondents from unspecified areas within metropolitan areas (metro3 = 9).

<sup>16</sup> Changes in annual estimates of very low-income renters in nonmetropolitan areas should be viewed with caution, because HUD assigns average income limits to less populated areas to accommodate AHS data suppression. See the discussion of income cutoffs in association with AHS geography in appendix E.

<sup>17</sup> AHS estimates of assisted very low-income renters rely on self-reported data, but they reflect recent improvements in data reliability. HUD-assisted renters may have incomes above the very low-income threshold because they were admitted to the programs under local policy preferences or their incomes increased after program admission.

Exhibit 2-2 charts the same data to illustrate the vital role of housing assistance in preventing households from falling into worst case needs. Worst case needs affect a smaller share of very low-income renters in rural, nonmetropolitan areas of the Northeast and Midwest, where housing assistance is relatively more available.

### EXHIBIT 2-2. GEOGRAPHIC SHARES OF WORST CASE NEEDS BY PREVALENCE OF HOUSING ASSISTANCE AND WORST CASE NEEDS, 2013



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

Worst case needs are more prevalent in the West and the South, especially in suburbs, where housing assistance is scarcer—although high rents in the West also shape this picture.<sup>18</sup> Several areas having greater relative scarcity of housing assistance and an abundance of worst case needs account for substantial fractions of the national problem, as shown by the size of the bubbles in the lower right quadrant of exhibit 2-2.

Not shown in this exhibit are improvements in prevalence of worst case needs between 2011 and 2013, with decreases of 4.6 and 2.6 percentage points observed in the South and Midwest, but less than 1 point in the other regions (summarized in table A-10). The nearly 5 point reduction in the rate of worst case needs in the South represents 350,000 fewer households with worst case needs, about 47 percent of the total decrease in worst case needs.

### How the Market Allocates Affordable Housing on a National Basis

The competition for good quality, affordable housing remains vigorous. Competition affects whether the neediest households can live in the most affordable units, the vacancy rate at different rent levels, and how quickly new units are occupied. Exhibit 2-3 shows the distribution of rental units and their occupancy by the affordability of their rents relative to the Area Median Income (AMI). For this analysis, a unit is considered affordable for a renter if the gross rent (rent plus utilities) does not exceed 30 percent of the maximum income of their income category. Any given renter may live in a unit renting for less than, the same as, or more than that threshold, however.<sup>19</sup>

The extent of competition for the most affordable housing, portrayed in exhibit 2-3, is striking. Higher income renters occupy 2.95 million, or 40.8 percent, of the units affordable to extremely low-income renters. Similarly, higher income renters occupy 38.5 percent of units affordable at incomes of 30 to 50 percent of AMI and 34.4 percent of units affordable at incomes of 50 to 80 percent of AMI, which is the largest category of units. Rental units that are more affordable are both more rare and more likely to be occupied by higher income renters.

Variations in vacancy rates across the affordability categories further demonstrate the competition for affordable units. The most affordable units are least likely to be vacant (exhibit 2-4). Among the

### EXHIBIT 2-3. OCCUPANCY OF AFFORDABLE UNITS, 2013

Occupancy Status	Rental Units by Income Needed to Make the Rent Affordable (thousands)				Total
	0–30% of AMI	30–50% of AMI	50–80% of AMI	>80% of AMI	
Higher income occupants	2,950	4,153	6,158	NA	13,260
Same-income or lower income occupants	3,907	5,726	10,243	7,137	27,012
Vacant	371	900	1,502	934	3,707
Total	7,227	10,779	17,902	8,071	43,979

AMI = Area Median Income (HUD-adjusted); NA = not applicable

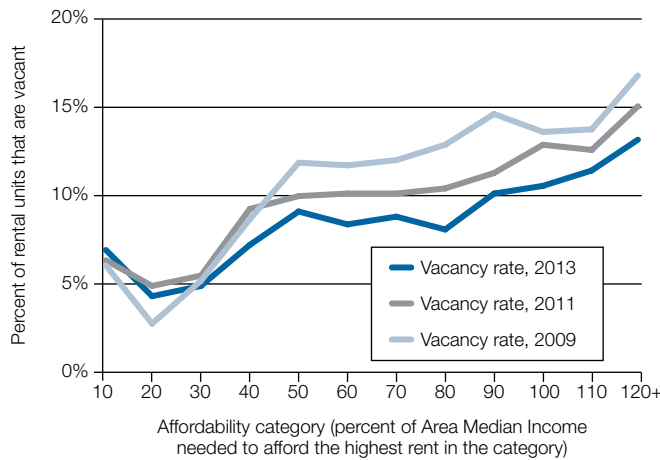
Source: HUD-PD&R tabulations of American Housing Survey data

<sup>18</sup> High rents introduce the question of whether enough rental units are available at Fair Market Rents (FMRs) to make housing vouchers an adequate policy response to affordable housing shortfalls. Appendix B, exhibit B-3, addresses the extent of housing supply on a regional basis. Although enough affordable units exist in each region, the number of available units in each region is sufficient to house only 82 to 88 percent of the renters who can afford rents no greater than the FMR. For renters who attempt to find a unit with a housing choice voucher, the housing quality standards of that program imply that their success will depend on the prevalence of “adequate” units in their area—not merely affordable and available units.

<sup>19</sup> Note that renters whose incomes place them at the bottom of an income range would not be able to afford rents at the top of their range. More detailed presentations of these data appear in appendixes A and B, where table A-12 and exhibit B-2 show unit affordability and occupancy status using 10-point income breaks.

least costly units—those with rents affordable at incomes of 0 to 30 percent of AMI—only 5.1 percent are vacant. The vacancy rate jumps to 8.3 percent among units affordable at incomes of 30 to 50 percent of AMI, to 8.4 percent among units affordable at incomes of 50 to 80 percent of AMI, and to 11.6 percent among the highest rent units. Overall, the recent decline in the overall rental vacancy rate—from 10.9 percent in 2009 to 9.8 percent in 2011 and 8.4 percent in 2013—reflects significant absorption of unoccupied rental housing stock.<sup>20</sup>

**EXHIBIT 2-4. DECLINES IN RENTAL VACANCIES AND IN DISPARITIES BY AFFORDABILITY LEVEL, 2009 TO 2013**



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

Along with declining average vacancy rates, the gradient in national vacancy rates seen in exhibit 2-4 also became flatter during both the 2009-to-2011 and the 2011-to-2013 periods. Nevertheless, the market for units affordable at extremely low income levels remains very tight. Greater vacancy rates continue to be found at higher rent levels (which include numerous vacation homes). The availability of vacant units at higher rent levels shows that in many markets, rental assistance in the form of vouchers could reduce worst case needs to the extent landlords are willing to participate. In addition, the somewhat higher vacancy rate for the units affordable at only 10 percent of AMI is often ascribed to units that have physical or locational challenges and may soon be removed from the housing stock.

The shifts in vacancy from 2011 to 2013 reflect in part the expansion of the rental stock by 900,000 units, or 2.1 percent, as well as a decrease in vacancies by 500,000 units, or 11.9 percent. Decreases in vacant units while the overall rental stock is growing reflect the strong rental demand nationwide.

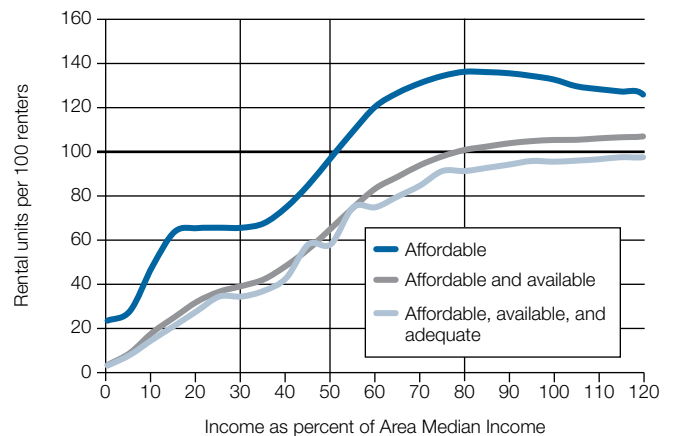
Although vacancy rates provide a valuable indication of the balance between supply and demand, they do not directly compare the number of affordable units with the number of renters. The remainder of section 2 makes such comparisons, employing three increasingly stringent concepts to assess whether the rental housing stock is sufficient for the need.

### Affordability, Availability, and Adequacy of the National Rental Stock

The scarcity of affordable units is greatest for the poorest renters, but, because of the rapid increase in renter households and greater competition, that scarcity is reaching higher up the income scale. Exhibit 2-5 displays the U.S. rental housing stock in 2013 using AHS data. These aggregate data portray how well the overall stock could meet the need for affordable housing if location did not matter.<sup>21</sup>

Focusing first on all affordable units, regardless of whether higher income households occupy them or whether they are adequate, the cumulative number of affordable units is shown to equal the cumulative number of renters only for incomes exceeding 52 percent of AMI. Beyond this point, more than 100 affordable units exist per 100 renters—enough, with perfect allocation, to provide affordable housing to every renter with a greater income. This threshold decreased slightly from 55 percent of AMI in 2011, but it remains significantly greater than the 2007 level of 45 percent of AMI, meaning that the scarcity of affordable units continues to reach higher up the income scale than it did in 2007.

**EXHIBIT 2-5. THREE MEASURES OF THE SUFFICIENCY OF THE U.S. RENTAL HOUSING STOCK, 2013**



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

<sup>20</sup> Comparable estimates of the rental vacancy rate based on the Current Population Survey are slightly lower: 10.5 percent in 2009, 9.6 percent in 2011, and 8.3 percent in 2013. See U.S. Housing Market Conditions charting data, [http://www.huduser.org/portal/ushmc/hl\\_RentVac.html](http://www.huduser.org/portal/ushmc/hl_RentVac.html).

<sup>21</sup> Measures of affordability, availability, and adequacy compare the entire housing stock with the entire renter population, and they do not reflect small-scale geographic detail or the complexities of local housing markets.



The ratio of affordable units per renter peaks at income levels of slightly more than 80 percent of AMI. On a cumulative basis, there is a significant surplus of units affordable at higher levels of household income. As income increases, renters are increasingly likely to spend less than 30 percent of their incomes on housing.<sup>22</sup>

The situation is completely different at the low end of the income scale. Enough affordable units existed to house 65 percent of extremely low-income renters in 2013 if those units somehow could have been perfectly allocated. This shortage is substantial and critical, yet it has moderated somewhat from the ratio of 58 percent observed in 2011.

#### MEASURING WHETHER AFFORDABLE HOUSING STOCK IS SUFFICIENT FOR NEED

- *Affordability* measures the extent to which enough rental housing units of different costs can provide each renter household with a unit it can afford (based on the 30-percent-of-income standard). Affordability, which is the broadest measure of the relative supply of the housing stock, addresses whether sufficient housing units would exist if allocated solely on the basis of cost. The affordable stock includes both vacant and occupied units.
- *Availability* measures the extent to which affordable rental housing units are available to renters within a particular income range. Availability is a more restrictive concept, because units that meet the definition must be available and affordable. Some renters choose to spend less than 30 percent of their incomes on rent, occupying housing that is affordable to renters of lower incomes. These units thus are not available to lower income renters. A unit is available at a given level of income if (1) it is affordable at that level and (2) it is occupied by a renter either at that income level or at a lower level or is vacant.
- *Adequacy* extends the concept of availability by considering whether sufficient rental units are physically adequate (based on unit characteristics described in appendix E), affordable, and available. Adequacy thus is the most restrictive of the three measures.

The second line in exhibit 2-5 includes the criterion of availability in addition to affordability, meaning that it considers whether higher income renters currently occupy affordable units.<sup>23</sup> Availability poses an important additional constraint on renters seeking affordable units; only 39 percent of extremely low-income renters could actually find an affordable and available unit, even if location were not a factor.

The paucity of affordable and available units is worsened by the occupancy of a considerable proportion of the most affordable housing stock by renters who could afford to spend more (as shown previously in exhibit 2-3). The affordable stock is nominally sufficient to house every renter with an income greater than 52 percent of AMI, yet the affordable and available stock does not match the number of renters until household incomes reach about 78 percent of AMI.

The third line in exhibit 2-5 adds a third criterion—that units should be physically adequate—which further reduces the supply of the rental housing stock. For renters even with low incomes (up to 80 percent of AMI), only 91 adequate units are available for every 100 renters. The physically adequate stock does not fully match the need until it includes units affordable only to renters with incomes exceeding 124 percent of AMI, a significant shift from the 110 percent of AMI observed in 2011.

#### Rental Stock by Income

We have seen that relatively few rental units are affordable, and—because of occupancy by higher income renters and limited vacancies—even fewer are available to renters with the lowest incomes. Exhibit 2-6 summarizes the three housing stock measures for the standard income groups used in this report.

A severe mismatch exists 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 65 affordable units exist, and only 39 of those units are affordable and available. If physically adequate units are required, only 34 units are available for every 100 extremely low-income renters.<sup>24</sup> These figures suggest that 12 percent of affordable and available units for extremely low-income renters have severe deficiencies.

<sup>22</sup> Table A-1A shows that only 10.7 percent of renters with incomes above 80 percent of AMI have either moderate or severe rent burdens.

<sup>23</sup> The availability measure also removes units from consideration if they have artificially low rents because they are occupied as a benefit of employment (for example, units provided for caretakers) or because relatives or friends of the occupants own the units. The 2007 AHS data indicate that 2.4 million renter households (6.2 percent) occupied their units while paying no rent. The AHS does not provide estimates of the number of households paying a positive but less-than-market rent because of employment or other reasons.

<sup>24</sup> Previous research based on the Residential Finance Survey indicates that 12 percent of units with gross rents of \$400 or less produced negative net operating income, suggesting they are heading for demolition or conversion to nonresidential use (JCHS, 2006).

EXHIBIT 2-6. RENTAL HOUSING STOCK BY INCOME CATEGORY, 2013

Income	Rental Units per 100 Renters		
	Affordable	Affordable and Available	Affordable, Available, and Adequate
Extremely low-income renters (0–30% AMI)	65.3	39.0	34.2
Very low-income renters (0–50% AMI)	97.2	65.2	58.1
Low-income renters (0–80% AMI)	136.4	101.1	91.5

AMI = Area Median Income.

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

Renters with very low incomes find 97 affordable units, 65 affordable and available units, and only 58 affordable, available, and physically adequate units per 100 renters. About 11 percent of the affordable and available units for this larger group have severe physical problems.

Renters with low incomes find that the affordable and available rental stock is sufficient to house them all, although 10 percent of such units have severe physical problems.

Overall, the supply of affordable housing improved somewhat from its record low point in 2011. Exhibit 2-7 illustrates that the supply of affordable housing stock for extremely low-income renters

increased by 7 units per 100 renters from 2011 to 2013, following a 3-unit loss during the previous 2 years. The ratio of affordable and available units increased by 3 units from 2011 levels to 39 units per 100 extremely low-income renters.

For very low-income renters, the overall supply of affordable units increased by almost 5 units per 100 renters. The more focused affordable and available unit ratio, however, improved by less than 1 unit per 100 renters. Indeed, netting out the 3-point improvement in units available at 0 to 30 percent of AMI from the 1-point improvement for very low-income renters suggests that the stock at 30 to 50 percent of AMI became more constrained during the 2011-to-2013 period.

EXHIBIT 2-7. TREND IN RENTAL HOUSING STOCK BY INCOME CATEGORY, 2007 TO 2013

Income Category	Rental Units per 100 Renters				
	2009	2011	2013	Change	
				2009 to 2011	2011 to 2013
<b>Extremely low-income renters (0–30% AMI)</b>					
Affordable	61.0	58.2	65.3	– 2.8	7.1
Affordable and available	35.7	35.8	39.0	0.2	3.2
<b>Very low-income renters (0–50% AMI)</b>					
Affordable	98.7	92.4	97.2	– 6.3	4.8
Affordable and available	67.2	64.6	65.2	– 2.6	0.6

AMI = Area Median Income.

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

## Geography of Supply

The preceding discussion shows that worst case needs are dispersed across the nation, yet they can be concentrated in certain geographic areas, and it shows that spatial variation in worst case needs is affected in part by the availability of housing assistance.

Affordable rental housing includes both units that receive public rent assistance and units that for-profit and nonprofit housing providers offer at modest rents. The examination of affordable housing

supply on a national basis reveals, first, that the supply of rental units that are affordable to very low-income and poorer households remains substantially inadequate; second, that this shortage is worsened by the natural preference of higher income renters for more affordable units; and third, that the shortage is further worsened by the physical inadequacy of some of the stock.

The following discussion sharpens that picture by showing how shortages vary by geography.

## Geographic Variation in Utility Costs

It is important to recognize that rent burdens are measured using gross rent, which is the sum of contract rent (the amount specified on the lease) plus any separate utility costs. As measured by the AHS in 2013, utility costs for very low-income renters averaged \$112 per month, or 16 percent of gross rent.<sup>25</sup> Variations in climate and fuel costs over time and across regions can cause significant variations in how much utility costs contribute to gross rents and, therefore, to rent burdens.

When measured as regional averages, utility costs among very low-income renters with severe rent burdens do not vary greatly. Mean utility costs among such renters were least in the West, at \$105 per month, followed by \$120 in the Northeast, \$122 in the Midwest, and \$149 in the South. In every region, however, utility costs are significantly greater for very low-income renters who face severe rent burdens. Nationwide, those with severe rent burdens pay 13 percent more for utilities (\$14) than those without severe burdens.

In every region, very low-income renters with severe rent burdens have higher utility costs if they live in nonmetropolitan areas. Nationwide, per-month utility costs for such renters average \$159 in nonmetropolitan areas compared with \$125 in suburbs and \$115 in central cities.

Utility costs account for a relatively small fraction, 10 percent, of severe rent burdens in the West, where newer housing stock, high

contract rents, and temperate climate tend to coexist. In the Northeast, utilities constitute 12 percent of severe rent burdens, with the proportion increasing to 17 percent in the Midwest and 21 percent in the South, where contract rents are relatively low. Although contract rents may be less in these regions, utility costs frequently are high enough to create severe rent burdens and thus add to worst case needs.

## Rental Stock by Metropolitan Location

Deficiencies in the affordable and available stock are less severe in nonmetropolitan areas. Exhibit 2-8 summarizes the affordable housing supply for cities, suburbs, and nonmetropolitan areas. Notably, although cities and suburbs display comparable available-unit ratios—with 35 to 38 units per 100 extremely low-income renters and 59 to 64 units per 100 very low-income renters—the underlying supply of affordable units is more constrained in central cities (57 units) than in suburbs (64 units).

The difference between the affordable and the affordable-and-available ratios varies on the basis of metropolitan location because losses of affordable units to unavailability are less severe in denser, more urban areas. In central cities, about 24 otherwise-affordable units are unavailable per 100 very low-income renters. By comparison, 35 affordable units are unavailable per 100 renters in suburbs, and 49 affordable units are unavailable per 100 renters in nonmetropolitan areas.

**EXHIBIT 2-8. RENTAL HOUSING STOCK, BY METROPOLITAN LOCATION AND INCOME CATEGORY, 2013**

Income Category	Rental Units per 100 Renters		
	Affordable	Affordable and Available	Affordable, Available, and Adequate
<b>Central cities</b>			
Extremely low-income renters (0–30% AMI)	56.6	38.2	33.0
Very low-income renters (0–50% AMI)	87.8	64.3	56.1
Low-income renters (0–80% AMI)	132.5	101.5	90.0
<b>Suburbs</b>			
Extremely low-income renters (0–30% AMI)	64.4	35.3	32.5
Very low-income renters (0–50% AMI)	93.5	58.8	54.0
Low-income renters (0–80% AMI)	138.4	98.1	91.1
<b>Nonmetropolitan areas</b>			
Extremely low-income renters (0–30% AMI)	87.5	45.3	40.7
Very low-income renters (0–50% AMI)	128.2	79.0	71.1
Low-income renters (0–80% AMI)	142.0	105.9	95.9

AMI = Area Median Income.

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

<sup>25</sup> Comparable estimates for 2011 are \$131 and 19 percent, but the apparent decrease has a methodological cause. The Census Bureau changed procedures for adjusting electric and gas costs to the Residential Energy Consumption Survey (RECS). AHS estimates are lower and closer to RECS estimates in 2013 than in 2011.

A smaller reduction of availability in central city areas may flow from the benefits of the more robust and efficient rental housing markets within cities. Such markets can offer a better range of unit features and price points that offer appealing value to higher income renters. More and better choices for higher income renters can affect the availability of affordable housing for very low-income renters by reducing the occupancy of the most affordable units by higher income renters or by increasing vacancy rates and causing rents of adequate units to filter down to affordable levels.

Also worth consideration in exhibit 2-8 is the extent of differences between the ratios of available units and adequate units. Suburban areas do better in this analysis, reflecting less age in the housing stock. Adding the adequacy test reduces the affordable-and-available ratio by 5 units per 100 very low-income renters in the suburbs compared with reductions of 8 units in both central cities and nonmetropolitan areas.

Adjusting the affordable-and-available ratio for adequacy eliminates most of the city-versus-suburb difference in the affordable rental stock. The adequacy test also considerably reduces the affordable housing advantage of nonmetropolitan areas relative to denser areas. Even in nonmetropolitan areas, only about 7 of every 10 very low-income renters could find a unit that was affordable, available, and adequate.

## Rental Stock by Region

Rental markets are constrained for extremely low-income renters across the four census regions despite substantial variation in the availability of affordable rental units. Exhibit 2-9 illustrates that the Midwest shows the best availability, with 79 units per 100 very low-income renters. The West is worst off, with fewer than 51 units per 100 very low-income renters, and the Northeast and South have 66 and 67 units available, respectively, per 100 very low-income renters. For extremely low-income renters, the availability of affordable units is far from adequate in any region. Even low-income renters with incomes up to 80 percent of AMI find, in the West and the Northeast, that not enough affordable units are available.

On a metropolitan basis, adding the adequacy test raised the hurdle highest for renters in nonmetropolitan areas. On a regional basis, adding the adequacy test restricts supply for very low-income renters less in the West, eliminating 5 units, than in the other regions, which lose 7 to 8 units per 100 very low-income renters.

Nevertheless, the primary point in exhibit 2-9 is that extremely low-income renters continue to face severely constrained markets across all four regions. The Northeast, Midwest, and South have affordable units available only for two in five extremely low-income renters, and the West only for one in three.

**EXHIBIT 2-9. RENTAL HOUSING STOCK, BY REGION AND INCOME CATEGORY, 2013**

Income Category	Rental Units per 100 Renters		
	Affordable	Affordable and Available	Affordable, Available, and Adequate
<b>Northeast</b>			
Extremely low-income renters (0–30% AMI)	67.5	41.5	36.6
Very low-income renters (0–50% AMI)	96.1	66.3	58.5
Low-income renters (0–80% AMI)	126.9	96.0	85.1
<b>Midwest</b>			
Extremely low-income renters (0–30% AMI)	69.7	41.5	37.1
Very low-income renters (0–50% AMI)	125.3	79.3	72.0
Low-income renters (0–80% AMI)	149.1	109.9	100.3
<b>South</b>			
Extremely low-income renters (0–30% AMI)	66.3	38.8	34.1
Very low-income renters (0–50% AMI)	98.6	66.6	58.9
Low-income renters (0–80% AMI)	144.3	105.0	95.1
<b>West</b>			
Extremely low-income renters (0–30% AMI)	57.5	33.0	30.0
Very low-income renters (0–50% AMI)	74.4	50.6	45.7
Low-income renters (0–80% AMI)	122.8	92.6	84.5

AMI = Area Median Income.

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

## Summary

Worst case needs are common in every region and metropolitan category across the United States. Nationwide, 41.7 percent of very low-income renters had worst case needs in 2013. Prevalence decreased by 4.6 percentage points from 2011 levels in the South and by 2.6 percentage points in the Midwest so that, in 2013, only the West has greater-than-average rates of worst case needs. Suburbs also have greater-than-average prevalence rates.

Utility costs play a significant role in causing the severe rent burdens that trigger worst case needs. Utility costs account for 16 percent of gross rent for very low-income renters overall. Further, very low-income renters who face severe rent burdens report utility costs 13 percent greater than those who are free of severe burdens. Such renters also have higher average utility costs if they live in nonmetropolitan areas.

Housing assistance, including that provided by HUD, is an important preventer of worst case needs among very low-income renters. Nationwide, 25.7 percent of very low-income renters, or 4.76 million households, report receiving housing assistance. For every very low-income renter who is assisted, however, another 1.6 renters have worst case needs for such assistance.

Significant absorption of unoccupied rental housing stock reduced vacancy rates from the high level of 10.9 percent in 2009 to 9.8 percent in 2011 and 8.4 percent in 2013. With 97 rental units affordable for every 100 very low-income renters, not all such households could find an affordable unit in 2013, even if allocations were perfect among households across the nation. Many fewer affordable units are actually available to renters with the lowest incomes, because vacancy rates are low for the lowest rent units and many affordable units are rented to higher income families. In 2013, the vacancy rate for units affordable at extremely low incomes was only 5.1 percent compared with 11.6 percent for units affordable at more than 80 percent of AMI. The disparity in vacancy rates across rent affordability categories continued to diminish between 2011 and 2013, however, as the rental stock expanded to meet a surge in rental demand.

Because of competition for affordable units, when a simple ratio of affordable units per 100 very low-income renters is made more stringent by adding availability as a constraint, the ratio decreases from 97 affordable units to only 65 affordable and available units per 100 very low-income renters, and it decreases from 65 to 39 per 100 extremely low-income renters. Higher income families occupy 40.8 percent of units affordable to extremely low-income renters.

In addition, a substantial proportion of available units are not in standard physical condition. The number of affordable, available, and adequate units in 2013 is only 58 per 100 very low-income renters and only 34 per 100 extremely low-income renters.

Given the scarcity of affordable, available, and adequate units for the poorest renters, the efficacy of housing assistance in preventing worst case needs, and the surplus of units available at higher rent levels, housing vouchers continue to offer an important policy option for addressing the growing problem of worst case needs using the existing housing stock.



## UNDERSTANDING THE TREND IN WORST CASE NEEDS

### SECTION

# 3

Section 2 demonstrated that worst case needs are prevalent across the nation as a result of the limited availability of adequate, affordable rental units relative to the number of very low-income renters who need them. Section 3 elaborates how the changes in the number of units, the number of renters, and the rents they pay during the 2011-to-2013 period underlie this result.

The housing problems data for 2013 suggest that the lengthy homeownership crisis and sluggish economic recovery from the 2007-to-2009 recession are no longer continuing to drive up worst case needs. The previous report on worst case needs showed that 1.38 million cases of worst case needs emerged from 2009 to 2011. Of the new cases reported, about 77 percent were attributed to demographic changes that affected the population of unassisted very low-income renters and 23 percent to an increase in the proportion with worst case needs that resulted from the increased market pressure of the larger population. In the latest 2011-to-2013 period, worst case needs decreased by 750,000: 70 percent from demographic changes and 30 percent from changes in the prevalence reflecting market conditions.

Formation of new households and changes of tenure from homeownership to renting continue to put upward pressure on worst case needs. Increases in tenant incomes and in the proportion of assisted households among the resulting population of very low-income renters, however, more than offset the factors that increased worst case needs. The decreasing prevalence among these households results from the moderate narrowing of the gap between demand for affordable rental housing and the supply of affordable units.

### Changes in Affordable Housing Demand

The previous sections of this report have shown that the increase in the number of households with worst case needs reflects both changes in the population vulnerable to worst case needs—unassisted very low-income renters—and changes in the prevalence of the severe problems that trigger worst case needs among that population. The population of vulnerable renters is affected primarily by demographic factors (including their incomes and, to a small extent, HUD's categorization of their incomes). This population, in turn, substantially determines the demand for affordable housing. The prevalence of severe problems or worst case needs, by contrast, reflects the economic response of the housing market to the demographic changes.

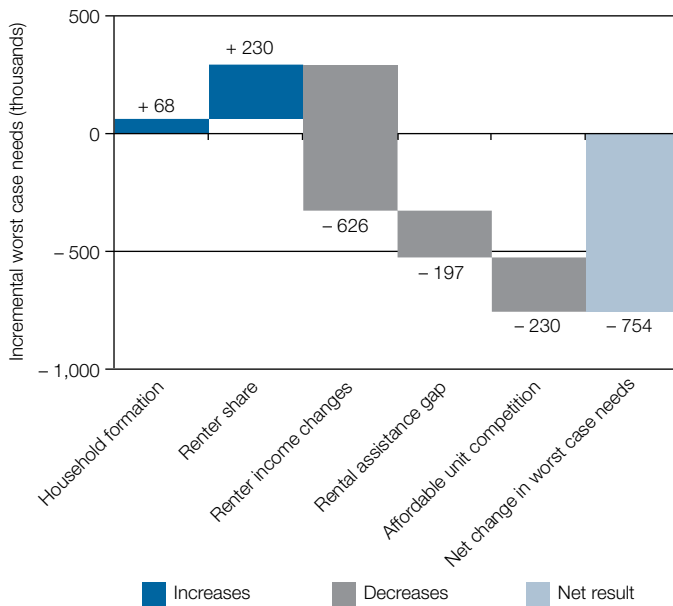
The following analysis sorts out these factors. First, we distinguish between the effects of population change and the effects of the prevalence of worst case needs to estimate their relative importance. Then we identify how much various demographic factors affected the population change.

The population of unassisted very low-income renters decreased 6.4 percent between 2011 and 2013, from 14.67 million to 13.74 million. During the same period, the prevalence of worst case needs in this population decreased from 57.8 to 56.2 percent.

From these facts, we can attribute a net reduction of 520,000 cases of worst case needs (70 percent of the total reduction) to demographic changes and a further reduction of 230,000 cases (30 percent of the reduction) to changes in the prevalence of severe problems. The demographic effect and the prevalence effect together explain the 750,000 fewer cases of worst case needs observed in the American Housing Survey in 2013 compared with the number of cases observed in 2011.<sup>26</sup>

The 520,000 reduction of worst case needs resulting from demographic shifts can be further broken down into four countervailing forces, illustrated by the first four columns of exhibit 3-1.

**EXHIBIT 3-1. DEMOGRAPHIC AND ECONOMIC FACTORS AFFECTING WORST CASE NEEDS, 2011 TO 2013**



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

- 1. Household formation.** The nation added 960,000 new households between 2011 and 2013, to which we attribute an additional 68,000 cases of worst case needs. The household formation rate was 0.8 percent during this 2-year period compared with an average biennial increase of 1.6 percent that has been recorded in AHS data since 2003.
- 2. Renter share of households.** Shifts in tenure from homeownership to renting account for 230,000 new cases of worst case needs. The homeownership rate declined from 66.2 percent in 2011 to 65.3 percent in 2013,<sup>27</sup> as the nation added 1.41 million renter households, an increase of 3.6 percent. For purposes of comparison, renter households increased 9.8 percent from 2009 to 2011 and the average biennial growth rate in renter households since 2003 has been 3.1 percent.
- 3. Renter income changes.** Changes in income that raised renter households out of the very low-income category account for a 626,000-case reduction of worst case needs. There were 770,000 fewer renters with very low incomes in 2013, a reduction of 4.0 percent. This decrease compares very favorably with the 12.5-percent increase during the 2009-to-2011 period and with the average biennial increases of 3.8 percent observed since 2003.<sup>28</sup>
- 4. Rental assistance gap.** We attribute 197,000 cases of the total decrease in worst case needs to the mitigation of the gap in rental assistance. The number of unassisted very low-income renters decreased by 930,000 households during the 2011-to-2013 period because the number of very low-income renters reporting housing assistance increased slightly (170,000 cases) while the number of very low-income renters overall decreased. The resulting 6.4-percent decrease in the number of unassisted very low-income renters partially reversed the 14.3-percent increase during the preceding 2-year period. This decrease in the rental assistance gap is the first observed since 2003, as biennial increases in unassisted very low-income renters have averaged 4.5 percent.

This analysis shows that demographic factors, on net, reduced worst case needs between 2011 and 2013, after driving large increases in the previous 2 years. The increase in the incomes of tenants was the most important demographic factor, more than offsetting positive household formation and tenure shift. Only 30 percent of the reduction in worst case needs remains to be attributed to the market response that reduced prevalence of such problems.

<sup>26</sup> The demographic effect equals the new prevalence rate times the numerical increase (or decrease) in renters, and the prevalence effect is the increase (or decrease) in the prevalence rate times the baseline number of renters.

<sup>27</sup> AHS estimates. Annual homeownership estimates based on the Current Population Survey/Housing Vacancy Survey are 66.1 percent for 2011 and 65.1 percent for 2013.

<sup>28</sup> HUD also analyzed whether methodological factors had a significant effect. This analysis is summarized in the sidebar, "Changes in Income Limits Had Minimal Effect on Estimates of Worst Case Needs."



## Affordable Housing Supply and Demand

Exhibit 2-7 showed that the availability of affordable rental units began to rebound during the 2011-to-2013 period. Such affordability metrics are affected by multiple demographic and market factors. Some additional data, including key numbers underlying the changes in available unit ratios, will shed light on the issue.

Exhibit 3-2 examines the factors responsible for the change in the availability of affordable units. The total number of rental units increased by about 920,000 (2.1 percent) between 2011 and 2013, building on a much greater increase of 3.33 million (8.4 percent) during the previous 2 years that resulted from significant levels of conversion of owner-occupied housing. The 1.43 million new renter households absorbed all the net increase of rental units and also occupied 510,000 previously vacant units.

Between 2011 and 2013, worst case needs among the most vulnerable, extremely low-income subset benefited from two

complementary market changes: the supply of affordable and available units for these renters increased modestly by 3.2 percent or 130,000 units, while the demand was reduced by 5.2 percent or 610,000 households.

Percentage changes are smaller in the broader very low-income category, which includes the extremely low-income subset. Netting out the extremely low-income estimates from the very low-income estimates reveals that both households and available units decreased for the category of 30 to 50 percent of AMI; the decrease in extremely low-income renters was supplemented by a further reduction of 120,000 renters with incomes 30 to 50 percent of AMI, and the 130,000 increase in extremely low-income units was more than offset by a loss of 490,000 units available and affordable at 30 to 50 percent of AMI. As renters who occupy affordable units shift to higher income categories, their units would no longer be considered available for the income category they exited. The data of exhibit 3-2 do not suggest that such transitions reduced availability for extremely low-income renters, but they may have occurred for renters at 30 to 50 percent of AMI and 50 to 80 percent of AMI.

**EXHIBIT 3-2. FACTORS EXPLAINING CHANGES IN RENTAL HOUSING AVAILABILITY RATE, 2011 TO 2013**

	Extremely Low Income (0–30% AMI)	Very Low Income (0–50% AMI)	Low Income (0–80% AMI)	Total <sup>a</sup>
<b>Cumulative affordable and available rental units (thousands)</b>				
2011	4,220	12,444	27,806	43,075
2013	4,354	12,088	26,617	43,992
Percent change	+ 3.2	– 2.9	– 4.3	+ 2.1
<b>Cumulative households (thousands)</b>				
2011	11,774	19,267	27,017	38,867
2013	11,163	18,538	26,333	40,294
Percent change	– 5.2	– 3.8	– 2.5	+ 3.7
<b>Income limit (median, current dollars)</b>				
2011	17,150	28,580	44,950	—
2013	16,800	28,000	44,618	—
Percent change	– 2.0	– 2.0	– 0.7	—
<b>Median household income (all renters, current dollars)</b>				
2011	—	—	—	27,984
2013	—	—	—	29,987
Percent change	—	—	—	+ 7.2
<b>Median monthly housing cost (all renters, current dollars)</b>				
2011	—	—	—	816
2013	—	—	—	823
Percent change	—	—	—	+ 0.9

AMI = Area Median Income.

<sup>a</sup> Total represents all units or renters, not the sum of the cumulative income categories.

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

### CHANGES IN INCOME LIMITS HAD MINIMAL EFFECT ON ESTIMATES OF WORST CASE NEEDS

A minimal portion of the decrease in renters with extremely low and very low incomes between 2011 and 2013, and of those with worst case needs, is explained by a shift in income limits. HUD calculates income limits on the basis of AMIs, including both owners and renters, and then uses the income limits to define the boundaries of the extremely low-, very low-, and low-income categories.

Exhibit 3-2 shows that, across the nation, the income limits for the median renter household decreased by 1.8 percent between 2011 and 2013. That is, the greatest income qualifying as extremely low income decreased by \$315, and the greatest income qualifying as very low income decreased by \$516. As a result, fewer households were captured in each category during 2013.

To assess the extent to which changes in income limits affected the number of very low-income renters and the number of worst case needs, HUD produced two tables for 2013 that were limited to occupied rental units that appeared in both 2011 and

2013 surveys and had valid income limit data in both years. One table categorized households using 2013 income limits and one categorized them using 2011 income limits.

The second column of the table shows that changes in income limits could account for a decline of 0.8 percent in the estimate of extremely low-income renters in 2013 (compared with the reported decrease of 5.2 percent among the full sample between 2011 and 2013). Such changes explain a decrease of 1.2 percent in the estimate of renters with incomes between 30 and 50 percent of AMI (the same as the reported decrease of 1.2 percent among the full sample). The third column of the table shows that income limits affected the relative share of the income categories by even smaller amounts.

The effect of income limits on the estimate of worst case needs is minimal. Using the restricted sample, 0.3 percent fewer cases of worst case needs are found in 2013 when using 2013 income limits than when using 2011 income limits. Extrapolating from the restricted sample suggests that changes in income limits could explain 20,000 cases of the total decrease of worst case needs, which was 750,000 or 8.9 percent.

### HOW CHANGES IN INCOME LIMITS BETWEEN 2011 AND 2013 AFFECT INCOME CATEGORIZATION OF RENTERS

Relative Income	Effect on Number of Renters in Income Category (%)	Effect on Share of Income Category (%)
0–30% AMI	– 0.8	– 0.2
30–50%	– 1.2	– 0.2
50–80%	1.7	0.3
80–120%	– 1.4	– 0.2
>120%	2.2	0.4
Total	0.0	0.0

AMI = Area Median Income.

Note: N = 15,281 rental units, weighted to 26.49 million renters.

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

The median renter's income increased 7.2 percent between 2011 and 2013. To the extent that these are the same households in both years, this increase represents a significant gain in income compared with incomes during the recessionary period.<sup>29</sup> In 2011, the median renter's income placed her in the very low-income category, but, in 2013, the median renter was found in the low-income category. At the same time, the median rental cost increased only 1.0 percent, yielding a significant decrease in the typical housing cost burden and eliminating a number of worst case housing needs.

Despite a significant increase in the number of renter households, increases in the incomes of those households helped to significantly reduce the number classified as having very low incomes. As the overall supply of rental units expanded, rents stayed relatively stable and the shortage of affordable and available units for extremely

low-income renters became less severe. These factors provide the primary framework for understanding the welcome decrease in worst case housing needs between 2011 and 2013.

## Concluding Summary

An analysis of demographic and market factors indicates that, of the total decrease of worst case needs by 750,000 during the 2011-to-2013 period, about 70 percent can be attributed to demographic changes that reduced the population of unassisted very low-income renters, and 30 percent can be attributed to the market responses that reduced the prevalence of worst case needs among such households.

<sup>29</sup> Another potential cause of an increase in the median renter's income could be the addition of new, higher income renters. HUD has not assessed the extent to which each factor contributed to the result.

Four demographic factors affected the number of unassisted, very low-income renters who are susceptible to worst case needs in offsetting ways during 2011 to 2013. On net, demographic factors reduced worst case needs after driving large increases in the previous 2 years. National household formation tended to increase worst case needs by 70,000 cases, and an increase in the renter share of households contributed 230,000 more. These increasing factors were more than offset by two decreasing factors. Renter income increases (and changes in income limits) that raised renters out of the very low-income population reduced the worst case needs by 630,000 cases, and a mitigation of the gap in rental assistance relative to the need accounts for 200,000 fewer cases.

The decrease in the number of unassisted, very low-income renters represents a quantitative decrease in the number of affordable units demanded. Even if the supply were unchanged, we would expect decreased competition for affordable units, decreasing rents, and decreasing prevalence of worst case needs. So after demographic factors on net reduced worst case needs by 520,000, it is reasonable that market-driven reductions in prevalence should account for a further decrease of 230,000 cases.

The market response is somewhat less tidy than the previous sentence suggests. The total supply of rental units increased, but it increased less (920,000 units, or 2.1 percent) than the total renter population (1.43 million renters, or 3.7 percent). Yet, the number of renters with incomes of 0 to 30 percent of AMI decreased. This decrease in extremely low-income renters corresponds with the previously discussed improvement of the available units ratio by 3.2 units per 100 extremely low-income renters, with little change in availability for very low-income renters. It also points to the importance of income changes. After losing income during and after the recession of 2007 to 2009, the median renter increased her income 7.2 percent between 2011 and 2013. The median renter's income now exceeds the 50-percent-of-AMI threshold for very low-income renters. As median income increased, median rent increased a minimal 1.0 percent, implying significant decreases in rent burden.

Worst case housing needs are a national problem. They have expanded dramatically during the past decade and were exacerbated by the economic recession and associated collapse of the housing market, which reduced homeownership through foreclosures and increased demand for renting. The improvements observed between 2011 and 2013 offer cause for hope. Yet, even with public rental assistance, it remains the case that 6 of 10 extremely low-income renters and 3 of 10 very low-income renters do not have access to affordable and available housing units. In 2013, there are 1.6 very low-income households with worst case needs for every very low-income household with rental assistance. A broad strategy at the federal, state, and local levels is needed to continue to rebuild the economy, strengthen the market, and provide assistance to those families most in need.



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## DETAILED DATA ON HOUSING PROBLEMS AND SUPPLY OF AFFORDABLE HOUSING

APPENDIX

# A

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TABLE A-1A. HOUSING CONDITIONS OF RENTER HOUSEHOLDS, BY RELATIVE INCOME, 2011 AND 2013

2013	Household Income As Percentage of HUD-Adjusted Area Median Family Income					All Incomes
	0-30%	30-50%	50-80%	80-120%	> 120%	
<b>Total households (thousands)</b>	<b>11,104</b>	<b>7,397</b>	<b>7,815</b>	<b>6,683</b>	<b>7,274</b>	<b>40,273</b>
Unassisted with severe problems	5,607	2,114	674	279	201	8,874
Unassisted with nonsevere problems only	779	3,185	3,182	1,370	717	9,233
Unassisted with no problems	1,046	1,011	3,502	4,841	6,236	16,636
Assisted	3,672	1,087	457	194	120	5,530
<b>Any with severe problems</b>	<b>7,116</b>	<b>2,237</b>	<b>720</b>	<b>287</b>	<b>205</b>	<b>10,566</b>
Rent burden 50% + of income	6,937	2,072	502	161	72	9,744
Severely inadequate housing	445	217	225	131	138	1,155
<b>Any with nonsevere problems only</b>	<b>1,809</b>	<b>3,638</b>	<b>3,327</b>	<b>1,406</b>	<b>726</b>	<b>10,906</b>
Rent burden 30-50% of income	1,515	3,403	2,843	952	310	9,022
Moderately inadequate housing	373	371	416	339	342	1,840
Crowded housing	173	345	296	159	92	1,066
<b>Any with no problems</b>	<b>2,179</b>	<b>1,522</b>	<b>3,768</b>	<b>4,990</b>	<b>6,343</b>	<b>18,801</b>
<b>2011</b>						
<b>Total households (thousands)</b>	<b>11,774</b>	<b>7,492</b>	<b>7,750</b>	<b>5,799</b>	<b>6,051</b>	<b>38,867</b>
Unassisted with severe problems	6,209	2,266	683	210	180	9,548
Unassisted with nonsevere problems only	934	3,264	3,218	1,174	604	9,194
Unassisted with no problems	984	1,019	3,447	4,218	5,159	14,828
Assisted	3,648	943	403	196	108	5,298
<b>Any with severe problems</b>	<b>7,716</b>	<b>2,386</b>	<b>712</b>	<b>226</b>	<b>181</b>	<b>11,220</b>
Rent burden 50% + of income	7,534	2,196	494	98	68	10,391
Severely inadequate housing	479	256	226	130	114	1,204
<b>Any with nonsevere problems only</b>	<b>2,022</b>	<b>3,682</b>	<b>3,380</b>	<b>1,199</b>	<b>612</b>	<b>10,895</b>
Rent burden 30-50% of income	1,663	3,465	2,880	830	287	9,124
Moderately inadequate housing	443	403	417	299	268	1,830
Crowded housing	220	350	300	117	85	1,072
<b>Any with no problems</b>	<b>2,037</b>	<b>1,424</b>	<b>3,659</b>	<b>4,374</b>	<b>5,259</b>	<b>16,753</b>

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



TABLE A-1B. HOUSING CONDITIONS OF OWNER HOUSEHOLDS, BY RELATIVE INCOME, 2011 AND 2013

2013	Household Income As Percentage of HUD-Adjusted Area Median Family Income					
	0-30%	30-50%	50-80%	80-120%	> 120%	All Incomes
<b>Total households (thousands)</b>	<b>7,354</b>	<b>8,062</b>	<b>11,809</b>	<b>14,162</b>	<b>34,371</b>	<b>75,759</b>
Unassisted with severe problems	4,402	2,282	1,609	797	589	9,679
Unassisted with nonsevere problems only	1,301	2,496	3,470	2,919	2,734	12,920
Unassisted with no problems	1,651	3,284	6,731	10,446	31,049	53,160
<b>Any with severe problems</b>	<b>4,402</b>	<b>2,282</b>	<b>1,609</b>	<b>797</b>	<b>589</b>	<b>9,679</b>
Rent burden 50% + of income	4,341	2,198	1,486	671	370	9,066
Severely inadequate housing	175	124	137	131	219	787
<b>Any with nonsevere problems only</b>	<b>1,301</b>	<b>2,496</b>	<b>3,470</b>	<b>2,919</b>	<b>2,734</b>	<b>12,920</b>
Rent burden 30-50% of income	1,175	2,260	3,105	2,649	2,252	11,441
Moderately inadequate housing	153	217	252	193	358	1,173
Crowded housing	71	145	217	135	148	715
<b>Any with no problems</b>	<b>1,651</b>	<b>3,284</b>	<b>6,731</b>	<b>10,446</b>	<b>31,049</b>	<b>53,160</b>
<b>2011</b>						
<b>Total households (thousands)</b>	<b>7,576</b>	<b>8,427</b>	<b>12,571</b>	<b>14,910</b>	<b>32,724</b>	<b>76,209</b>
Unassisted with severe problems	4,887	2,771	1,980	940	591	11,169
Unassisted with nonsevere problems only	1,300	2,432	3,982	3,824	3,346	14,885
Unassisted with no problems	1,390	3,223	6,609	10,146	28,787	50,155
<b>Any with severe problems</b>	<b>4,887</b>	<b>2,771</b>	<b>1,980</b>	<b>940</b>	<b>591</b>	<b>11,169</b>
Rent burden 50% + of income	4,791	2,647	1,811	767	373	10,390
Severely inadequate housing	185	155	187	177	218	922
<b>Any with nonsevere problems only</b>	<b>1,300</b>	<b>2,432</b>	<b>3,982</b>	<b>3,824</b>	<b>3,346</b>	<b>14,885</b>
Rent burden 30-50% of income	1,195	2,235	3,549	3,401	2,864	13,245
Moderately inadequate housing	149	187	280	294	393	1,303
Crowded housing	94	137	287	201	132	851
<b>Any with no problems</b>	<b>1,390</b>	<b>3,223</b>	<b>6,609</b>	<b>10,146</b>	<b>28,787</b>	<b>50,155</b>

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

TABLE A-2A. HOUSING CONDITIONS OF RENTERS AND OWNERS, 2001–2013—NUMBER OF HOUSEHOLDS

	2001	2003	2005	2007	2009	2011	2013
<b>Total households (thousands)</b>	<b>105,435</b>	<b>105,868</b>	<b>108,901</b>	<b>110,719</b>	<b>111,861</b>	<b>115,076</b>	<b>116,032</b>
Unassisted with severe problems	13,494	13,398	16,142	16,944	19,259	20,717	18,553
Unassisted with nonsevere problems only	19,217	19,790	20,849	22,752	23,225	24,079	22,153
Unassisted with no problems	66,445	66,468	65,362	65,862	64,506	64,983	69,796
Assisted	6,279	6,211	6,547	5,161	4,871	5,298	5,530
Cost burden > 50% of income	13,330	13,188	16,433	17,140	19,458	20,781	18,810
Cost burden 30–50% of income	16,923	17,856	19,403	21,153	21,818	22,369	20,884
Severely inadequate housing	2,108	1,971	2,023	1,805	1,866	2,126	1,942
Moderately inadequate housing	4,504	4,311	4,177	3,954	3,884	3,133	3,946
Crowded housing	2,631	2,559	2,621	2,529	2,509	1,923	2,509
<b>Renter households (thousands)</b>	<b>33,727</b>	<b>33,614</b>	<b>33,951</b>	<b>35,054</b>	<b>35,396</b>	<b>38,867</b>	<b>40,273</b>
Unassisted with severe problems	5,758	5,887	6,860	6,993	8,085	9,548	8,874
Unassisted with nonsevere problems only	7,283	7,557	7,303	8,445	8,229	9,194	9,233
Unassisted with no problems	14,407	13,958	13,240	14,455	14,211	14,828	16,636
Assisted	6,279	6,211	6,547	5,161	4,871	5,298	5,530
Rent burden > 50% of income	6,412	6,477	7,891	7,793	9,000	10,391	9,744
Rent burden 30–50% of income	6,916	7,468	7,502	8,340	8,240	9,124	9,292
Severely inadequate housing	1,168	1,038	1,100	1,073	998	1,204	1,155
Moderately inadequate housing	2,508	2,525	2,542	2,400	2,264	1,830	2,508
Crowded housing	1,658	1,615	1,635	1,511	1,499	1,072	1,652
<b>Owner households (thousands)</b>	<b>71,708</b>	<b>72,254</b>	<b>74,950</b>	<b>75,665</b>	<b>76,465</b>	<b>76,209</b>	<b>75,759</b>
Unassisted with severe problems	7,736	7,511	9,282	9,951	11,174	11,169	9,679
Unassisted with nonsevere problems only	11,934	12,233	13,546	14,307	14,996	14,885	12,920
Unassisted with no problems	52,038	52,510	52,122	51,407	50,295	50,155	53,160
Cost burden > 50% of income	6,918	6,711	8,542	9,347	10,458	10,390	9,066
Cost burden 30–50% of income	10,007	10,388	11,901	12,813	13,578	13,245	11,592
Severely inadequate housing	940	933	923	732	868	922	787
Moderately inadequate housing	1,996	1,786	1,635	1,554	1,620	1,303	1,438
Crowded housing	973	944	986	1,018	1,010	851	857

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

TABLE A-2B. HOUSING CONDITIONS OF RENTERS AND OWNERS, 2001–2013—PERCENTAGE OF HOUSEHOLDS

	2001	2003	2005	2007	2009	2011	2013
<b>Total households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	12.8	12.7	14.8	15.3	17.2	18.0	16.0
Unassisted with nonsevere problems only	18.2	18.7	19.1	20.5	20.8	20.9	19.1
Unassisted with no problems	63.0	62.8	60.0	59.5	57.7	56.5	60.2
Assisted	6.0	5.9	6.0	4.7	4.4	4.6	4.8
Cost burden > 50% of income	12.6	12.5	15.1	15.5	17.4	18.1	16.2
Cost burden 30–50% of income	16.1	16.9	17.8	19.1	19.5	19.4	18.0
Severely inadequate housing	2.0	1.9	1.9	1.6	1.7	1.8	1.7
Moderately inadequate housing	4.3	4.1	3.8	3.6	3.5	2.7	3.4
Crowded housing	2.5	2.4	2.4	2.3	2.2	1.7	2.2
<b>Renter households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	17.1	17.5	20.2	19.9	22.8	24.6	22.0
Unassisted with nonsevere problems only	21.6	22.5	21.5	24.1	23.2	23.7	22.9
Unassisted with no problems	42.7	41.5	39.0	41.2	40.1	38.2	41.3
Assisted	18.6	18.5	19.3	14.7	13.8	13.6	13.7
Rent burden > 50% of income	19.0	19.3	23.2	22.2	25.4	26.7	24.2
Rent burden 30–50% of income	20.5	22.2	22.1	23.8	23.3	23.5	23.1
Severely inadequate housing	3.5	3.1	3.2	3.1	2.8	3.1	2.9
Moderately inadequate housing	7.4	7.5	7.5	6.8	6.4	4.7	6.2
Crowded housing	4.9	4.8	4.8	4.3	4.2	2.8	4.1
<b>Owner households</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	10.8	10.4	12.4	13.2	14.6	14.7	12.8
Unassisted with nonsevere problems only	16.6	16.9	18.1	18.9	19.6	19.5	17.1
Unassisted with no problems	72.6	72.7	69.5	67.9	65.8	65.8	70.2
Cost burden > 50% of income	9.6	9.3	11.4	12.4	13.7	13.6	12.0
Cost burden 30–50% of income	14.0	14.4	15.9	16.9	17.8	17.4	15.3
Severely inadequate housing	1.3	1.3	1.2	1.0	1.1	1.2	1.0
Moderately inadequate housing	2.8	2.5	2.2	2.1	2.1	1.7	1.9
Crowded housing	1.4	1.3	1.3	1.3	1.3	1.1	1.1

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

**TABLE A-3. HOUSING CONDITIONS OF UNASSISTED RENTER HOUSEHOLDS,  
BY RELATIVE INCOME, 2011 AND 2013**

2013	Household Income As Percentage of HUD-Adjusted Area Median Family Income					
	0–30%	30–50%	50–80%	80–120%	> 120%	All Incomes
<b>Total unassisted households (thousands)</b>	<b>7,432</b>	<b>6,310</b>	<b>7,357</b>	<b>6,490</b>	<b>7,155</b>	<b>34,743</b>
<b>Any with severe problems</b>	<b>5,607</b>	<b>2,114</b>	<b>674</b>	<b>279</b>	<b>201</b>	<b>8,874</b>
Rent burden 50% + of income	5,530	1,967	473	157	72	8,200
[Rent above FMR]	1,548	1,168	419	157	72	3,366
Severely inadequate housing	301	195	208	126	133	963
<b>Any with nonsevere problems only</b>	<b>779</b>	<b>3,185</b>	<b>3,182</b>	<b>1,370</b>	<b>717</b>	<b>9,233</b>
Rent burden 30–50% of income	613	3,007	2,735	928	304	7,587
Moderately inadequate housing	226	302	382	329	339	1,578
Crowded housing	102	320	276	157	91	946
<b>Any with no problems</b>	<b>1,046</b>	<b>1,011</b>	<b>3,502</b>	<b>4,841</b>	<b>6,236</b>	<b>16,636</b>
<b>2011</b>						
<b>Total unassisted households (thousands)</b>	<b>8,127</b>	<b>6,549</b>	<b>7,348</b>	<b>5,602</b>	<b>5,943</b>	<b>33,569</b>
<b>Any with severe problems</b>	<b>6,209</b>	<b>2,266</b>	<b>683</b>	<b>210</b>	<b>180</b>	<b>9,548</b>
Rent burden 50% + of income	6,103	2,106	483	92	68	8,853
[Rent above FMR]	1,761	1,284	439	92	68	3,643
Severely inadequate housing	343	223	207	120	114	1,007
<b>Any with nonsevere problems only</b>	<b>934</b>	<b>3,264</b>	<b>3,218</b>	<b>1,174</b>	<b>604</b>	<b>9,194</b>
Rent burden 30–50% of income	719	3,102	2,749	814	287	7,671
Moderately inadequate housing	242	348	388	290	263	1,531
Crowded housing	158	312	279	116	81	946
<b>Any with no problems</b>	<b>984</b>	<b>1,019</b>	<b>3,447</b>	<b>4,218</b>	<b>5,159</b>	<b>14,828</b>

FMR = Fair Market Rent.

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

TABLE A-4. INCIDENCE OF HOUSING PROBLEMS AMONG RENTERS, BY RELATIVE INCOME, 2011 AND 2013

	Number		Percentage	
	2011	2013	2011	2013
<b>Renter households (thousands)</b>	<b>38,867</b>	<b>40,273</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	9,548	8,874	24.6	22.0
Unassisted with nonsevere problems only	9,194	9,233	23.7	22.9
Unassisted with no problems	14,828	16,636	38.2	41.3
Assisted	5,298	5,530	13.6	13.7
<b>Any with severe problems</b>	<b>11,220</b>	<b>10,566</b>	<b>28.9</b>	<b>26.2</b>
Rent burden > 50% of income	10,391	9,744	26.7	24.2
Severely inadequate housing	1,204	1,155	3.1	2.9
[Rent burden only]	9,243	8,743	23.8	21.7
<b>Any with nonsevere problems only</b>	<b>10,895</b>	<b>10,906</b>	<b>28.0</b>	<b>27.1</b>
Rent burden 30–50% of income	9,124	9,022	23.5	22.4
Moderately inadequate housing	1,830	1,840	4.7	4.6
Crowded housing	1,072	1,066	2.8	2.6
[Rent burden only]	8,090	8,088	20.8	20.1
<b>Any with no problems</b>	<b>16,753</b>	<b>18,801</b>	<b>43.1</b>	<b>46.7</b>
<b>Income 0–30% HAMFI (thousands)</b>	<b>11,774</b>	<b>11,104</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	6,209	5,607	52.7	50.5
Unassisted with nonsevere problems only	934	779	7.9	7.0
Unassisted with no problems	984	1,046	8.4	9.4
Assisted	3,648	3,672	31.0	33.1
<b>Any with severe problems</b>	<b>7,716</b>	<b>7,116</b>	<b>65.5</b>	<b>64.1</b>
Rent burden > 50% of income	7,534	6,937	64.0	62.5
Severely inadequate housing	479	445	4.1	4.0
[Rent burden only]	6,613	6,168	56.2	55.5
<b>Any with nonsevere problems only</b>	<b>2,022</b>	<b>1,809</b>	<b>17.2</b>	<b>16.3</b>
Rent burden 30–50% of income	1,663	1,515	14.1	13.6
Moderately inadequate housing	443	373	3.8	3.4
Crowded housing	220	173	1.9	1.6
[Rent burden only]	1,380	1,278	11.7%	11.5
<b>Any with no problems</b>	<b>2,037</b>	<b>2,179</b>	<b>17.3</b>	<b>19.6</b>
<b>Income 30–50% HAMFI (thousands)</b>	<b>7,492</b>	<b>7,397</b>	<b>100.00</b>	<b>100.00</b>
Unassisted with severe problems	2,266	2,114	30.2	28.6
Unassisted with nonsevere problems only	3,264	3,185	43.6	43.1
Unassisted with no problems	1,019	1,011	13.6	13.7
Assisted	943	1,087	12.6	14.7
<b>Any with severe problems</b>	<b>2,386</b>	<b>2,237</b>	<b>31.8</b>	<b>30.2</b>
Rent burden > 50% of income	2,196	2,072	29.3	28.0
Severely inadequate housing	256	217	3.4	2.9
[Rent burden only]	2,015	1,893	26.9	25.6

TABLE A-4. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG RENTERS,  
BY RELATIVE INCOME, 2011 AND 2013

	Number		Percentage	
	2011	2013	2011	2013
<b>Any with nonsevere problems only</b>	<b>3,682</b>	<b>3,638</b>	<b>49.1</b>	<b>49.2</b>
Rent burden 30–50% of income	3,465	3,403	46.2	46.0
Moderately inadequate housing	403	371	5.4	5.0
Crowded housing	350	345	4.7	4.7
[Rent burden only]	2,975	2,960	39.7	40.0
<b>Any with no problems</b>	<b>1,424</b>	<b>1,522</b>	<b>19.0</b>	<b>20.6</b>
<b>Income 50–80% HAMFI (thousands)</b>	<b>7,750</b>	<b>7,815</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	683	674	8.8	8.6
Unassisted with nonsevere problems only	3,218	3,182	41.5	40.7
Unassisted with no problems	3,447	3,502	44.5	44.8
Assisted	403	457	5.2	5.8
<b>Any with severe problems</b>	<b>712</b>	<b>720</b>	<b>9.2</b>	<b>9.2</b>
Rent burden > 50% of income	494	502	6.4	6.4
Severely inadequate housing	226	225	2.9	2.9
[Rent burden only]	460	471	5.9	6.0
<b>Any with nonsevere problems only</b>	<b>3,380</b>	<b>3,327</b>	<b>43.6</b>	<b>42.6</b>
Rent burden 30–50% of income	2,880	2,843	37.2	36.4
Moderately inadequate housing	417	416	5.4	5.3
Crowded housing	300	296	3.9	3.8
[Rent burden only]	2,678	2,630	34.6	33.7
<b>Any with no problems</b>	<b>3,659</b>	<b>3,768</b>	<b>47.2</b>	<b>48.2</b>
<b>Income 80–120% HAMFI (thousands)</b>	<b>5,799</b>	<b>6,683</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	210	279	3.6	4.2
Unassisted with nonsevere problems only	1,174	1,370	20.2	20.5
Unassisted with no problems	4,218	4,841	72.7	72.4
Assisted	196	194	3.4	2.9
<b>Any with severe problems</b>	<b>226</b>	<b>287</b>	<b>3.9</b>	<b>4.3</b>
Rent burden > 50% of income	98	161	1.7	2.4
Severely inadequate housing	130	131	2.2	2.0
[Rent burden only]	89	145	1.5	2.2
<b>Any with nonsevere problems only</b>	<b>1,199</b>	<b>1,406</b>	<b>20.7</b>	<b>21.0</b>
Rent burden 30–50% of income	830	952	14.3	14.2
Moderately inadequate housing	299	339	5.2	5.1
Crowded housing	117	159	2.0	2.4
[Rent burden only]	793	922	13.7	13.8
<b>Any with no problems</b>	<b>4,374</b>	<b>4,990</b>	<b>75.4</b>	<b>74.7</b>

**TABLE A-4. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG RENTERS,  
BY RELATIVE INCOME, 2011 AND 2013**

	Number		Percentage	
	2011	2013	2011	2013
<b>Income &gt; 120% HAMFI (thousands)</b>	<b>6,051</b>	<b>7,274</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	180	201	3.0	2.8
Unassisted with nonsevere problems only	604	717	10.0	9.9
Unassisted with no problems	5,159	6,236	85.3	85.7
Assisted	108	120	1.8	1.6
<b>Any with severe problems</b>	<b>181</b>	<b>205</b>	<b>3.0</b>	<b>2.8</b>
Rent burden > 50% of income	68	72	1.1	1.0
Severely inadequate housing	114	138	1.9	1.9
[Rent burden only]	66	65	1.1	0.9
<b>Any with nonsevere problems only</b>	<b>612</b>	<b>726</b>	<b>10.1</b>	<b>10.0</b>
Rent burden 30–50% of income	287	310	4.7	4.3
Moderately inadequate housing	268	342	4.4	4.7
Crowded housing	85	92	1.4	1.3
[Rent burden only]	264	299	4.4	4.1
<b>Any with no problems</b>	<b>5,259</b>	<b>6,343</b>	<b>86.9</b>	<b>87.2</b>

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

**TABLE A-5A. INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS,  
BY HOUSEHOLD TYPE, 2011 AND 2013**

Household Type	Number		Percentage	
	2011	2013	2011	2013
<b>All household types (thousands)</b>	<b>19,267</b>	<b>18,500</b>	<b>100.0</b>	<b>100.0</b>
<b>Elderly without children (thousands)</b>	<b>3,934</b>	<b>3,955</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	1,470	1,471	37.4	37.2
Unassisted with nonsevere problems only	611	567	15.5	14.3
Unassisted with no problems	450	510	11.4	12.9
Assisted	1,403	1,408	35.7	35.6
<b>Any with severe problems</b>	<b>1,891</b>	<b>1,915</b>	<b>48.1</b>	<b>48.4</b>
Rent burden > 50% of income	1,817	1,847	46.2	46.7
Severely inadequate housing	138	119	3.5	3.0
[Rent burden only]	1,631	1,696	41.5	42.9
<b>Any with nonsevere problems only</b>	<b>1,028</b>	<b>1,004</b>	<b>26.1</b>	<b>25.4</b>
Rent burden 30–50% of income	965	942	24.5	23.8
Moderately inadequate housing	125	118	3.2	3.0
Crowded housing	1	1	0.0	0.0
[Rent burden only]	902	885	22.9	22.4
<b>Any with no problems</b>	<b>1,015</b>	<b>1,036</b>	<b>25.8</b>	<b>26.2</b>
<b>Families with children (thousands)</b>	<b>7,561</b>	<b>7,023</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	3,236	2,833	42.8	40.3
Unassisted with nonsevere problems only	1,883	1,797	24.9	25.6
Unassisted with no problems	577	552	7.6	7.9
Assisted	1,866	1,841	24.7	26.2
<b>Any with severe problems</b>	<b>3,979</b>	<b>3,478</b>	<b>52.6</b>	<b>49.5</b>
Rent burden > 50% of Income	3,847	3,349	50.9	47.7
Severely inadequate housing	269	263	3.6	3.7
[Rent burden only]	3,404	2,977	45.0	42.4
<b>Any with nonsevere problems only</b>	<b>2,532</b>	<b>2,394</b>	<b>33.5</b>	<b>34.1</b>
Rent burden 30–50% of income	2,209	2,089	29.2	29.7
Moderately inadequate housing	329	290	4.4	4.1
Crowded housing	545	513	7.2	7.3
[Rent burden only]	1,719	1,642	22.7	23.4
<b>Any with no problems</b>	<b>1,050</b>	<b>1,151</b>	<b>13.9</b>	<b>16.4</b>



TABLE A-5A. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY HOUSEHOLD TYPE, 2011 AND 2013

Household Type	Number		Percentage	
	2011	2013	2011	2013
<b>Other family households (thousands)</b>	<b>1,782</b>	<b>1,720</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	801	741	44.9	43.1
Unassisted with nonsevere problems only	465	442	26.1	25.7
Unassisted with no problems	223	194	12.5	11.3
Assisted	293	343	16.4	19.9
<b>Any with severe problems</b>	<b>903</b>	<b>840</b>	<b>50.7</b>	<b>48.8</b>
Rent burden > 50% of income	877	808	49.2	47.0
Severely inadequate housing	57	56	3.2	3.3
[Rent burden only]	764	736	42.9	42.8
<b>Any with nonsevere problems only</b>	<b>573</b>	<b>560</b>	<b>32.2</b>	<b>32.6</b>
Rent burden 30–50% of income	547	526	30.7	30.6
Moderately inadequate housing	73	61	4.1	3.5
Crowded housing	12	4	0.7	0.2
[Rent burden only]	490	495	27.5	28.8
<b>Any with no problems</b>	<b>306</b>	<b>320</b>	<b>17.2</b>	<b>18.6</b>
<b>Other nonfamily households (thousands)</b>	<b>5,990</b>	<b>5,802</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	2,969	2,676	49.6	46.1
Unassisted with nonsevere problems only	1,238	1,158	20.7	20.0
Unassisted with no problems	754	801	12.6	13.8
Assisted	1,029	1,167	17.2	20.1
<b>Any with severe problems</b>	<b>3,329</b>	<b>3,119</b>	<b>55.6</b>	<b>53.8</b>
Rent burden > 50% of income	3,189	3,005	53.2	51.8
Severely inadequate housing	270	223	4.5	3.8
[Rent burden only]	2,828	2,652	47.2	45.7
<b>Any with nonsevere problems only</b>	<b>1,571</b>	<b>1,489</b>	<b>26.2</b>	<b>25.7</b>
Rent burden 30–50% of income	1,407	1,361	23.5	23.5
Moderately inadequate housing	319	274	5.3	4.7
Crowded housing	12	1	0.2	0.0
[Rent burden only]	1,244	1,215	20.8	20.9
<b>Any with no problems</b>	<b>1,090</b>	<b>1,193</b>	<b>18.2</b>	<b>20.6</b>

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

**TABLE A-5B. INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTER HOUSEHOLDS CONTAINING PERSONS WITH DISABILITIES,\* BY HOUSEHOLD TYPE, 2011 AND 2013**

Household Type	Number		Percentage	
	2011	2013	2011	2013
<b>All household types (thousands)</b>	<b>3,068</b>	<b>2,804</b>	<b>100.0</b>	<b>100.0</b>
<b>Elderly without children (thousands)</b>	<b>94</b>	<b>110</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	31	41	33.0	37.3
Unassisted with nonsevere problems only	29	26	30.9	23.6
Unassisted with no problems	9	14	9.6	12.7
Assisted	24	29	25.5	26.4
<b>Any with severe problems</b>	<b>39</b>	<b>45</b>	<b>41.5</b>	<b>40.9</b>
Rent burden > 50% of income	34	44	36.2	40.0
Severely inadequate housing	9	5	9.6	4.5
[Rent burden only, adequate housing]	29	37	30.9	33.6
<b>Any with nonsevere problems only</b>	<b>40</b>	<b>39</b>	<b>42.6</b>	<b>35.5</b>
Rent burden 30–50% of income	37	38	39.4	34.5
Moderately inadequate housing	6	6	6.4	5.5
Crowded housing	0	0	0.0	0.0
[Rent burden only]	34	33	36.2	30.0
<b>Any with no problems</b>	<b>15</b>	<b>26</b>	<b>16.0</b>	<b>23.6</b>
<b>Families with children (thousands)</b>	<b>1,259</b>	<b>1,018</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	544	397	43.2	39.0
Unassisted with nonsevere problems only	260	192	20.7	18.9
Unassisted with no problems	71	79	5.6	7.8
Assisted	384	350	30.5	34.4
<b>Any with severe problems</b>	<b>700</b>	<b>523</b>	<b>55.6</b>	<b>51.4</b>
Rent burden > 50% of income	680	514	54.0	50.5
Severely inadequate Housing	57	35	4.5	3.4
[Rent burden only, adequate housing]	570	417	45.3	41.0
<b>Any with nonsevere problems only</b>	<b>388</b>	<b>323</b>	<b>30.8</b>	<b>31.7</b>
Rent burden 30–50% of income	299	278	23.7	27.3
Moderately inadequate housing	93	50	7.4	4.9
Crowded housing	99	65	7.9	6.4
[Rent burden only]	208	224	16.5	22.0
<b>Any with no problems</b>	<b>170</b>	<b>172</b>	<b>13.5</b>	<b>16.9</b>

TABLE A-5B. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTER HOUSEHOLDS CONTAINING PERSONS WITH DISABILITIES,\* BY HOUSEHOLD TYPE, 2011 AND 2013

Household Type	Number		Percentage	
	2011	2013	2011	2013
<b>Other family households (thousands)</b>	<b>403</b>	<b>420</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	207	196	51.4	46.7
Unassisted with nonsevere problems only	71	75	17.6	17.9
Unassisted with no problems	33	34	8.2	8.1
Assisted	92	114	22.8	27.1
<b>Any with severe problems</b>	<b>242</b>	<b>232</b>	<b>60.0</b>	<b>55.2</b>
Rent burden > 50% of income	233	224	57.8	53.3
Severely inadequate housing	24	17	6.0	4.0
[Rent burden only, adequate housing]	182	194	45.2	46.2
<b>Any with nonsevere problems only</b>	<b>106</b>	<b>110</b>	<b>26.3</b>	<b>26.2</b>
Rent burden 30–50% of income	99	103	24.6	24.5
Moderately inadequate housing	21	22	5.2	5.2
Crowded housing	0	0	0.0	0.0
[Rent burden only]	85	88	21.1	21.0
<b>Any with no problems</b>	<b>55</b>	<b>78</b>	<b>13.6</b>	<b>18.6</b>
<b>Other nonfamily households (thousands)</b>	<b>1,312</b>	<b>1,257</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	524	452	39.9	36.0
Unassisted with nonsevere problems only	185	216	14.1	17.2
Unassisted with no problems	106	95	8.1	7.6
Assisted	497	494	37.9	39.3
<b>Any with severe problems</b>	<b>675</b>	<b>639</b>	<b>51.4</b>	<b>50.8</b>
Rent burden > 50% of income	641	603	48.9	48.0
Severely inadequate housing	85	60	6.5	4.8
[Rent burden only, adequate housing]	544	518	41.5	41.2
<b>Any with nonsevere problems only</b>	<b>359</b>	<b>354</b>	<b>27.4</b>	<b>28.2</b>
Rent burden 30–50% of income	321	320	24.5	25.5
Moderately inadequate housing	73	51	5.6	4.1
Crowded housing	9	0	0.7	0.0
[Rent burden only]	282	302	21.5	24.0
<b>Any with no problems</b>	<b>278</b>	<b>264</b>	<b>21.2</b>	<b>21.0</b>

\* Elderly persons with disabilities were excluded.

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

TABLE A-6A. HOUSING PROBLEMS AND CHARACTERISTICS OF VERY LOW-INCOME RENTERS, BY HOUSEHOLD TYPE, 2013

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Renter households (thousands)</b>	<b>18,500</b>	<b>3,955</b>	<b>7,023</b>	<b>1,720</b>	<b>5,802</b>
Number of children	14,413	0	14,413	0	0
Number of persons	43,636	5,200	27,125	4,139	7,173
Children/household	0.78	0.00	2.05	0.00	0.00
Persons/household	2.36	1.31	3.86	2.41	1.24
Unassisted with severe problems	7,721	1,471	2,833	741	2,676
Unassisted with nonsevere problems only	3,964	567	1,797	442	1,158
Unassisted with no problems	2,057	510	552	194	801
Assisted	4,759	1,408	1,841	343	1,167
<b>Any with severe problems</b>	<b>9,353</b>	<b>1,915</b>	<b>3,478</b>	<b>840</b>	<b>3,119</b>
Rent burden > 50% of income	9,009	1,847	3,349	808	3,005
Severely inadequate housing	661	119	263	56	223
[Rent burden only]	8,062	1,696	2,977	736	2,652
<b>Any with nonsevere problems only</b>	<b>5,447</b>	<b>1,004</b>	<b>2,394</b>	<b>560</b>	<b>1,489</b>
Rent burden 30–50% of income	4,918	942	2,089	526	1,361
Moderately inadequate housing	744	118	290	61	274
Crowded housing	519	1	513	4	1
[Rent burden only]	4,238	885	1,642	495	1,215
<b>Any with no problems</b>	<b>3,700</b>	<b>1,036</b>	<b>1,151</b>	<b>320</b>	<b>1,193</b>

TABLE A-6A. (CONTINUED) HOUSING PROBLEMS AND CHARACTERISTICS OF VERY LOW-INCOME RENTERS, BY HOUSEHOLD TYPE, 2013

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Other characteristics</b>					
One person in household	7,668	2,931	10	0	4,727
Husband-wife family	3,673	589	2,341	739	4
Female head	11,376	2,628	5,004	987	2,756
Minority head	10,280	1,644	4,891	1,083	2,662
AFDC/SSI	3,614	883	1,421	388	923
Social Security income	4,270	3,047	500	196	527
Income below 50% of poverty	4,859	777	2,051	345	1,686
Income below poverty	10,814	1,977	4,657	796	3,384
Income below 150% of poverty	15,681	3,081	6,592	1,329	4,678
High school graduate	13,424	2,539	4,843	1,280	4,762
2+ years post high school	3,426	613	1,038	342	1,434
Earnings at minimum wage:					
At least half time	8,148	357	4,287	984	2,520
At least full time	5,829	189	3,273	769	1,598
Earnings main source of income	9,028	338	4,576	1,061	3,053
Housing rated poor	1,049	105	474	105	364
Housing rated good +	13,624	3,245	4,997	1,233	4,150
Neighborhood rated poor	1,453	168	674	133	477
Neighborhood rated good +	13,052	3,139	4,757	1,206	3,949
In central cities	8,501	1,681	3,093	813	2,915
Nonmetro	3,416	781	1,329	296	1,010
Suburbs	6,583	1,493	2,602	612	1,877
Midwest	3,692	816	1,206	292	1,378
Northeast	3,804	1,012	1,268	371	1,154
South	6,350	1,200	2,560	608	1,982
West	4,654	927	1,990	450	1,288

AFDC = Aid to Families with Dependent Children. SSI = Supplemental Security Income.

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

TABLE A-6B. HOUSING PROBLEMS AND CHARACTERISTICS OF EXTREMELY LOW-INCOME RENTERS, BY HOUSEHOLD TYPE, 2013

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Renter households (thousands)</b>	<b>11,104</b>	<b>2,559</b>	<b>4,020</b>	<b>816</b>	<b>3,709</b>
Number of children	8,532	0	8,532	0	0
Number of persons	24,792	3,200	15,275	1,908	4,409
Children/household	0.77	0.00	2.12	0.00	0.00
Persons/household	2.23	1.25	3.80	2.34	1.19
Unassisted with severe problems	5,607	1,072	2,110	472	1,954
Unassisted with nonsevere problems only	779	160	310	44	264
Unassisted with no problems	1,046	251	210	74	511
Assisted	3,672	1,076	1,390	227	979
<b>Any with severe problems</b>	<b>7,116</b>	<b>1,487</b>	<b>2,687</b>	<b>567</b>	<b>2,376</b>
Rent burden > 50% of income	6,937	1,444	2,626	552	2,316
Severely inadequate housing	445	82	180	32	151
[Rent burden only]	6,168	1,316	2,303	500	2,050
<b>Any with nonsevere problems only</b>	<b>1,809</b>	<b>468</b>	<b>716</b>	<b>109</b>	<b>516</b>
Rent burden 30–50% of income	1,515	424	591	83	417
Moderately inadequate housing	373	67	118	32	156
Crowded housing	173	1	172	0	1
[Rent burden only]	1,278	400	442	77	359
<b>Any with no problems</b>	<b>2,179</b>	<b>604</b>	<b>617</b>	<b>141</b>	<b>817</b>

TABLE A-6B. (CONTINUED) HOUSING PROBLEMS AND CHARACTERISTICS OF EXTREMELY LOW-INCOME RENTERS, BY HOUSEHOLD TYPE, 2013

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Other characteristics</b>					
One person in household	5,207	2,024	10	0	3,174
Husband-wife family	1,674	317	1,044	313	0
Female head	7,046	1,734	3,037	490	1,785
Minority head	6,312	1,191	2,883	513	1,724
AFDC/SSI	2,742	714	1,023	232	774
Social Security income	2,660	1,884	277	106	392
Income below 50% poverty	4,854	777	2,046	345	1,686
Income below poverty	9,816	1,929	3,834	739	3,314
Income below 150% of poverty	11,017	2,504	4,018	808	3,687
High school graduate	7,709	1,530	2,653	600	2,925
2+ years post high school	1,836	338	520	128	850
Earnings at minimum wage:					
At least half time	2,912	97	1,687	250	878
At least full time	1,121	32	836	90	163
Earnings main source of income	3,996	138	2,062	356	1,441
Housing rated poor	698	68	328	63	239
Housing rated good +	8,095	2,117	2,759	567	2,652
Neighborhood rated poor	988	118	476	71	322
Neighborhood rated good +	7,703	2,030	2,584	569	2,521
In central cities	5,218	1,137	1,831	361	1,888
Nonmetro	2,077	449	775	159	694
Suburbs	3,809	972	1,414	296	1,126
Midwest	2,150	454	677	134	885
Northeast	2,454	710	790	160	794
South	3,821	777	1,454	344	1,246
West	2,679	618	1,099	178	784

AFDC = Aid to Families with Dependent Children. SSI = Supplemental Security Income.

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

**TABLE A-7. HOUSING PROBLEMS AND CHARACTERISTICS OF VERY LOW-INCOME WORST CASE RENTERS, BY HOUSEHOLD TYPE, 2013**

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Renter households (thousands)</b>	<b>7,721</b>	<b>1,471</b>	<b>2,833</b>	<b>741</b>	<b>2,676</b>
Number of children	5,913	0	5,913	0	0
Number of persons	18,367	1,967	11,122	1,805	3,473
Children/household	0.77	0.00	2.09	0.00	0.00
Persons/household	2.38	1.34	3.93	2.44	1.30
Unassisted with severe problems	7,721	1,471	2,833	741	2,676
Unassisted with nonsevere problems only	—	—	—	—	—
Unassisted with no problems	—	—	—	—	—
Assisted	—	—	—	—	—
<b>Any with severe problems</b>	<b>7,721</b>	<b>1,471</b>	<b>2,833</b>	<b>741</b>	<b>2,676</b>
Rent burden > 50% of income	7,497	1,440	2,746	717	2,594
Severely inadequate housing	496	74	195	45	183
[Rent burden only]	6,689	1,308	2,436	651	2,295
<b>Any with nonsevere problems only</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Rent burden 30–50% of income	—	—	—	—	—
Moderately inadequate housing	—	—	—	—	—
Crowded housing	—	—	—	—	—
[Rent burden only]	—	—	—	—	—
<b>Any with no problems</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>



**TABLE A-7. (CONTINUED) HOUSING PROBLEMS AND CHARACTERISTICS OF VERY LOW-INCOME WORST CASE RENTERS, BY HOUSEHOLD TYPE, 2013**

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Other characteristics</b>					
One person in household	3,191	1,097	2	0	2,092
Husband-wife family	1,574	209	1,020	345	0
Female head	4,610	983	1,945	409	1,273
Minority head	4,103	590	1,888	458	1,167
AFDC/SSI	1,246	231	540	147	327
Social Security income	1,702	1,160	223	102	216
Income below 50% poverty	2,365	416	965	172	813
Income below poverty	5,270	828	2,238	451	1,753
Income below 150% of poverty	6,973	1,232	2,761	627	2,353
High school graduate	5,782	1,033	1,920	566	2,262
2+ years post high school	1,684	250	461	161	811
Earnings at minimum wage:					
At least half time	3,340	116	1,671	371	1,181
At least full time	1,954	56	1,103	243	552
Earnings main source of income	4,068	126	1,876	447	1,619
Housing rated poor	460	34	202	57	167
Housing rated good +	5,593	1,186	1,951	504	1,952
Neighborhood rated poor	564	63	235	68	197
Neighborhood rated good +	5,488	1,152	1,992	524	1,820
In central cities	3,497	638	1,157	332	1,371
Nonmetro	1,261	219	504	106	432
Suburbs	2,963	615	1,173	302	873
Midwest	1,389	269	431	99	589
Northeast	1,542	387	484	142	529
South	2,612	447	1,004	270	891
West	2,178	367	914	230	667

AFDC = Aid to Families with Dependent Children. SSI = Supplemental Security Income.

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

**TABLE A-8. HOUSING PROBLEMS AND CHARACTERISTICS OF EXTREMELY LOW-INCOME WORST CASE RENTERS, BY HOUSEHOLD TYPE, 2013**

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Renter households (thousands)</b>	<b>5,607</b>	<b>1,072</b>	<b>2,110</b>	<b>472</b>	<b>1,954</b>
Number of children	4,523	0	4,523	0	0
Number of persons	13,276	1,403	8,324	1,122	2,427
Children/household	0.81	0.00	2.14	0.00	0.00
Persons/household	2.37	1.31	3.95	2.38	1.24
Unassisted with severe problems	5,607	1,072	2,110	472	1,954
Unassisted with nonsevere problems only	—	—	—	—	—
Unassisted with no problems	—	—	—	—	—
Assisted	—	—	—	—	—
<b>Any with severe problems</b>	<b>5,607</b>	<b>1,072</b>	<b>2,110</b>	<b>472</b>	<b>1,954</b>
Rent burden > 50% of income	5,530	1,059	2,083	466	1,922
Severely inadequate housing	301	44	119	23	116
[Rent burden only]	4,894	949	1,818	418	1,708
<b>Any with nonsevere problems only</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Rent burden 30–50% of income	—	—	—	—	—
Moderately inadequate housing	—	—	—	—	—
Crowded housing	—	—	—	—	—
[Rent burden only]	—	—	—	—	—
<b>Any with no problems</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

TABLE A-8. (CONTINUED) HOUSING PROBLEMS AND CHARACTERISTICS OF EXTREMELY LOW-INCOME WORST CASE RENTERS, BY HOUSEHOLD TYPE, 2013

	Total	Elderly, No Children	Families With Children	Other Families	Other Nonfamily Households
<b>Other characteristics</b>					
One person in household	2,414	817	2	0	1,595
Husband-wife family	1,069	139	714	216	0
Female head	3,388	722	1,475	265	926
Minority head	3,017	464	1,430	290	833
AFDC/SSI	1,047	197	453	108	289
Social Security income	1,239	817	173	70	178
Income below 50% poverty	2,362	416	962	172	813
Income below poverty	4,959	817	2,005	423	1,714
Income below 150% of poverty	5,565	1,052	2,108	466	1,940
High school graduate	4,034	718	1,358	352	1,605
2+ years post high school	1,113	178	294	87	554
Earnings at minimum wage:					
At least half time	1,909	47	1,063	172	627
At least full time	712	19	539	58	96
Earnings main source of income	2,695	76	1,288	253	1,078
Housing rated poor	370	27	167	40	137
Housing rated good +	4,008	861	1,424	315	1,407
Neighborhood rated poor	444	43	199	44	159
Neighborhood rated good +	3,927	827	1,449	325	1,326
In central cities	2,593	491	899	212	991
Nonmetro	922	141	374	73	334
Suburbs	2,092	441	836	186	629
Midwest	1,055	191	340	77	447
Northeast	1,149	301	359	80	410
South	1,907	320	745	198	644
West	1,495	260	666	116	453

AFDC = Aid to Families with Dependent Children. SSI = Supplemental Security Income.

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

**TABLE A-9. INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY RACE AND ETHNICITY, 2011 AND 2013—NUMBER AND PERCENTAGE**

	Number		Percentage	
	2011	2013	2011	2013
<b>Non-Hispanic White (thousands)</b>	<b>8,931</b>	<b>8,220</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	4,097	3,618	45.9	44.0
Unassisted with nonsevere problems only	2,081	1,770	23.3	21.5
Unassisted with no problems	1,127	1,117	12.6	13.6
Assisted	1,625	1,716	18.2	20.9
<b>Any with severe problems</b>	<b>4,593</b>	<b>4,169</b>	<b>51.4</b>	<b>50.7</b>
Rent burden > 50% of income	4,437	4,037	49.7	49.1
Severely inadequate housing	296	262	3.3	3.2
[Rent burden only]	4,007	3,672	44.9	44.7
<b>Any with nonsevere problems only</b>	<b>2,615</b>	<b>2,323</b>	<b>29.3</b>	<b>28.3</b>
Rent burden 30–50% of income	2,425	2,125	27.2	25.9
Moderately inadequate housing	351	336	3.9	4.1
Crowded housing	81	83	0.9	1.0
[Rent burden only]	2,190	1,917	24.5	23.3
<b>Any with no problems</b>	<b>1,724</b>	<b>1,728</b>	<b>19.3</b>	<b>21.0</b>
<b>Non-Hispanic Black (thousands)</b>	<b>4,606</b>	<b>4,666</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	1,820	1,657	39.5	35.5
Unassisted with nonsevere problems only	759	835	16.5	17.9
Unassisted with no problems	323	377	7.0	8.1
Assisted	1,704	1,797	37.0	38.5
<b>Any with severe problems</b>	<b>2,514</b>	<b>2,336</b>	<b>54.6</b>	<b>50.1</b>
Rent burden > 50% of income	2,401	2,239	52.1	48.0
Severely inadequate housing	225	182	4.9	3.9
[Rent burden only]	2,072	1,936	45.0	41.5
<b>Any with nonsevere problems only</b>	<b>1,297</b>	<b>1,342</b>	<b>28.2</b>	<b>28.8</b>
Rent burden 30–50% of income	1,121	1,225	24.3	26.3
Moderately inadequate housing	256	192	5.6	4.1
Crowded housing	102	81	2.2	1.7
[Rent burden only]	953	1,078	20.7	23.1
<b>Any with no problems</b>	<b>795</b>	<b>988</b>	<b>17.3</b>	<b>21.2</b>

**TABLE A-9. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY RACE AND ETHNICITY, 2011 AND 2013—NUMBER AND PERCENTAGE**

	Number		Percentage	
	2011	2013	2011	2013
<b>Hispanic (thousands)</b>	<b>4,348</b>	<b>4,186</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	1,971	1,845	45.3	44.1
Unassisted with nonsevere problems only	1,095	1,092	25.2	26.1
Unassisted with no problems	391	391	9.0	9.3
Assisted	892	857	20.5	20.5
<b>Any with severe problems</b>	<b>2,294</b>	<b>2,129</b>	<b>52.8</b>	<b>50.9</b>
Rent burden > 50% of income	2,221	2,038	51.1	48.7
Severely inadequate housing	153	168	3.5	4.0
[Rent burden only]	1,951	1,843	44.9	44.0
<b>Any with nonsevere problems only</b>	<b>1,423</b>	<b>1,397</b>	<b>32.7</b>	<b>33.4</b>
Rent burden 30–50% of income	1,254	1,217	28.8	29.1
Moderately inadequate housing	179	173	4.1	4.1
Crowded housing	338	315	7.8	7.5
[Rent burden only]	941	939	21.6	22.4
<b>Any with no problems</b>	<b>631</b>	<b>660</b>	<b>14.5</b>	<b>15.8</b>

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

TABLE A-10. INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY REGION, 2011 AND 2013—NUMBER AND PERCENTAGE

	Number		Percentage	
	2011	2013	2011	2013
<b>Northeast (thousands)</b>	<b>3,939</b>	<b>3,804</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	1,604	1,542	40.7	40.5
Unassisted with nonsevere problems only	715	641	18.2	16.9
Unassisted with no problems	372	380	9.4	10.0
Assisted	1,247	1,241	31.7	32.6
<b>Any with severe problems</b>	<b>2,060</b>	<b>1,992</b>	<b>52.3</b>	<b>52.4</b>
Rent burden > 50% of income	1,933	1,903	49.1	50.0
Severely inadequate housing	232	223	5.9	5.9
[Rent burden only]	1,656	1,661	42.0	43.7
<b>Any with nonsevere problems only</b>	<b>1,112</b>	<b>1,032</b>	<b>28.2</b>	<b>27.1</b>
Rent burden 30–50% of income	978	930	24.8	24.4
Moderately inadequate housing	220	148	5.6	3.9
Crowded housing	126	81	3.2	2.1
[Rent burden only]	789	814	20.0	21.4
<b>Any with no problems</b>	<b>767</b>	<b>780</b>	<b>19.5</b>	<b>20.5</b>
<b>Midwest (thousands)</b>	<b>3,864</b>	<b>3,692</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	1,554	1,389	40.2	37.6
Unassisted with nonsevere problems only	927	872	24.0	23.6
Unassisted with no problems	421	424	10.9	11.5
Assisted	962	1,007	24.9	27.3
<b>Any with severe problems</b>	<b>1,897</b>	<b>1,690</b>	<b>49.1</b>	<b>45.8</b>
Rent burden > 50% of income	1,827	1,628	47.3	44.1
Severely inadequate housing	129	111	3.3	3.0
[Rent burden only]	1,638	1,452	42.4	39.3
<b>Any with nonsevere problems only</b>	<b>1,214</b>	<b>1,181</b>	<b>31.4</b>	<b>32.0</b>
Rent burden 30–50% of income	1,109	1,073	28.7	29.1
Moderately inadequate housing	146	167	3.8	4.5
Crowded housing	73	56	1.9	1.5
[Rent burden only]	1,003	963	26.0	26.1
<b>Any with no problems</b>	<b>753</b>	<b>822</b>	<b>19.5</b>	<b>22.3</b>

**TABLE A-10. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY REGION, 2011 AND 2013—NUMBER AND PERCENTAGE**

	Number		Percentage	
	2011	2013	2011	2013
<b>South (thousands)</b>	<b>6,487</b>	<b>6,350</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	2,964	2,612	45.7	41.1
Unassisted with nonsevere problems only	1,432	1,459	22.1	23.0
Unassisted with no problems	713	788	11.0	12.4
Assisted	1,378	1,491	21.2	23.5
<b>Any with severe problems</b>	<b>3,464</b>	<b>3,164</b>	<b>53.4</b>	<b>49.8</b>
Rent burden > 50% of income	3,348	3,065	51.6	48.3
Severely inadequate housing	221	176	3.4	2.8
[Rent burden only]	2,995	2,745	46.2	43.2
<b>Any with nonsevere problems only</b>	<b>1,907</b>	<b>1,895</b>	<b>29.4</b>	<b>29.8</b>
Rent burden 30–50% of income	1,723	1,682	26.6	26.5
Moderately inadequate housing	286	309	4.4	4.9
Crowded housing	156	143	2.4	2.3
[Rent burden only]	1,486	1,463	22.9	23.0
<b>Any with no problems</b>	<b>1,116</b>	<b>1,291</b>	<b>17.2</b>	<b>20.3</b>
<b>West (thousands)</b>	<b>4,977</b>	<b>4,654</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	2,352	2,178	47.3	46.8
Unassisted with nonsevere problems only	1,124	991	22.6	21.3
Unassisted with no problems	498	466	10.0	10.0
Assisted	1,003	1,019	20.2	21.9
<b>Any with severe problems</b>	<b>2,681</b>	<b>2,507</b>	<b>53.9</b>	<b>53.9</b>
Rent burden > 50% of income	2,622	2,414	52.7	51.9
Severely inadequate housing	152	151	3.1	3.2
[Rent burden only]	2,339	2,203	47.0	47.3
<b>Any with nonsevere problems only</b>	<b>1,471</b>	<b>1,339</b>	<b>29.6</b>	<b>28.8</b>
Rent burden 30–50% of income	1,318	1,233	26.5	26.5
Moderately inadequate housing	195	120	3.9	2.6
Crowded housing	215	240	4.3	5.2
[Rent burden only]	1,077	997	21.6	21.4
Any with no problems	825	807	16.6	17.3

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

**TABLE A-11. INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY METROPOLITAN LOCATION, 2011 AND 2013—NUMBER AND PERCENTAGE**

	Number		Percentage	
	2011	2013	2011	2013
<b>Central cities (thousands)</b>	<b>8,804</b>	<b>8,501</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	3,813	3,497	43.3	41.1
Unassisted with nonsevere problems only	1,849	1,842	21.0	21.7
Unassisted with no problems	759	776	8.6	9.1
Assisted	2,383	2,387	27.1	28.1
<b>Any with severe problems</b>	<b>4,692</b>	<b>4,370</b>	<b>53.3</b>	<b>51.4</b>
Rent burden > 50% of income	4,489	4,175	51.0	49.1
Severely inadequate housing	402	381	4.6	4.5
[Rent burden only]	3,902	3,672	44.3	43.2
<b>Any with nonsevere problems only</b>	<b>2,631</b>	<b>2,532</b>	<b>29.9</b>	<b>29.8</b>
Rent burden 30–50% of income	2,349	2,249	26.7	26.5
Moderately inadequate housing	396	391	4.5	4.6
Crowded housing	303	239	3.4	2.8
[Rent burden only]	1,973	1,930	22.4	22.7
<b>Any with no problems</b>	<b>1,481</b>	<b>1,600</b>	<b>16.8</b>	<b>18.8</b>
<b>Suburbs (thousands)</b>	<b>7,105</b>	<b>6,583</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	3,340	2,963	47.0	45.0
Unassisted with nonsevere problems only	1,615	1,444	22.7	21.9
Unassisted with no problems	846	829	11.9	12.6
Assisted	1,305	1,347	18.4	20.5
<b>Any with severe problems</b>	<b>3,793</b>	<b>3,427</b>	<b>53.4</b>	<b>52.1</b>
Rent burden > 50% of income	3,673	3,325	51.7	50.5
Severely inadequate housing	233	184	3.3	2.8
[Rent burden only]	3,327	3,051	46.8	46.3
<b>Any with nonsevere problems only</b>	<b>2,076</b>	<b>1,913</b>	<b>29.2</b>	<b>29.1</b>
Rent burden 30–50% of income	1,919	1,789	27.0	27.2
Moderately inadequate housing	236	179	3.3	2.7
Crowded housing	186	220	2.6	3.3
[Rent burden only]	1,663	1,534	23.4	23.3
<b>Any with no problems</b>	<b>1,237</b>	<b>1,243</b>	<b>17.4</b>	<b>18.9</b>



**TABLE A-11. (CONTINUED) INCIDENCE OF HOUSING PROBLEMS AMONG VERY LOW-INCOME RENTERS, BY METROPOLITAN LOCATION, 2011 AND 2013—NUMBER AND PERCENTAGE**

	Number		Percentage	
	2011	2013	2011	2013
<b>Nonmetropolitan (thousands)</b>	<b>3,358</b>	<b>3,416</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	1,323	1,261	39.4	36.9
Unassisted with nonsevere problems only	734	677	21.9	19.8
Unassisted with no problems	399	453	11.9	13.3
Assisted	903	1,025	26.9	30.0
<b>Any with severe problems</b>	<b>1,617</b>	<b>1,556</b>	<b>48.2</b>	<b>45.6</b>
Rent burden > 50% of income	1,568	1,509	46.7	44.2
Severely inadequate housing	99	96	2.9	2.8
[Rent burden only]	1,399	1,338	41.7	39.2
<b>Any with nonsevere problems only</b>	<b>997</b>	<b>1,002</b>	<b>29.7</b>	<b>29.3</b>
Rent burden 30–50% of income	859	880	25.6	25.8
Moderately inadequate housing	215	174	6.4	5.1
Crowded housing	81	61	2.4	1.8
[Rent burden only]	718	773	21.4	22.6
<b>Any with no problems</b>	<b>744</b>	<b>857</b>	<b>22.2</b>	<b>25.1</b>
<b>U.S. total (thousands)</b>	<b>19,267</b>	<b>18,500</b>	<b>100.0</b>	<b>100.0</b>
Unassisted with severe problems	8,475	7,721	44.0	41.7
Unassisted with nonsevere problems only	4,198	3,964	21.8	21.4
Unassisted with no problems	2,003	2,057	10.4	11.1
Assisted	4,591	4,759	23.8	25.7
<b>Any with severe problems</b>	<b>10,102</b>	<b>9,353</b>	<b>52.4</b>	<b>50.6</b>
Rent burden > 50% of income	9,730	9,009	50.5	48.7
Severely inadequate housing	734	661	3.8	3.6
[Rent burden only]	8,628	8,062	44.8	43.6
<b>Any with nonsevere problems only</b>	<b>5,704</b>	<b>5,447</b>	<b>29.6</b>	<b>29.4</b>
Rent burden 30–50% of income	5,128	4,918	26.6	26.6
Moderately inadequate housing	846	744	4.4	4.0
Crowded housing	570	519	3.0	2.8
[Rent burden only]	4,354	4,238	22.6	22.9
<b>Any with no problems</b>	<b>3,462</b>	<b>3,700</b>	<b>18.0</b>	<b>20.0</b>

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

**TABLE A-12. HOUSEHOLDS OCCUPYING U.S. RENTAL UNITS, BY AFFORDABILITY OF RENT AND INCOME OF OCCUPANTS, 2011 AND 2013**

Relative Income of Households	Occupied and Vacant Rental Units (thousands) by Unit Affordability Category (percent of HAMFI needed to afford the highest rent in the category)												
	2013	10*	20	30	40	50	60	70	80	90	100	110	120 +
Extremely low-income (< 30% HAMFI)	868	1,672	1,367	1,423	1,911	1,718	850	513	252	136	73	321	11,104
Very low-income (30–50%)	219	362	553	895	1,497	1,655	971	557	222	110	77	280	7,397
Low-income (50–80%)	219	259	322	673	1,345	1,853	1,241	886	328	172	135	382	7,815
Middle-income or higher (> 80%)	303	368	345	691	1,445	2,174	1,969	2,014	1,282	942	576	1,848	13,958
Total occupied units	1,609	2,660	2,587	3,681	6,198	7,400	5,031	3,970	2,084	1,360	862	2,831	40,273
Vacant units for rent	120	118	133	283	616	668	484	350	235	160	110	429	3,707
<b>2011</b>													
Extremely low-income (< 30% HAMFI)	794	1,778	1,278	1,473	2,134	1,953	1,068	588	226	135	100	247	11,774
Very low-income (30–50%)	235	371	437	948	1,570	1,575	1,115	577	218	111	109	227	7,492
Low-income (50–80%)	184	262	276	601	1,427	1,748	1,278	884	392	193	188	317	7,750
Middle-income or higher (> 80%)	234	287	349	563	1,173	1,986	1,753	1,645	1,112	780	476	1,491	11,850
Total occupied units	1,446	2,699	2,340	3,585	6,304	7,261	5,214	3,694	1,948	1,219	873	2,284	38,867
Vacant units for rent	98	137	134	361	697	815	584	426	248	180	125	403	4,208

HAMFI = HUD-adjusted area Median Family Income.

\* The 10 percent of HAMFI category includes units occupied with no cash rent.

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

**TABLE A-13. RENTERS AND RENTAL UNITS AFFORDABLE AND AVAILABLE TO THEM, BY RELATIVE INCOME, 2001 TO 2013**

	2001	2003	2005	2007	2009	2011	2013
<b>Renter households (thousands)</b>	<b>34,042</b>	<b>33,614</b>	<b>33,951</b>	<b>35,054</b>	<b>35,396</b>	<b>38,867</b>	<b>40,294</b>
Extremely low-income (< 30% HAMFI)	8,739	9,077	9,729	9,243	9,961	11,774	11,163
Very low-income (30–50%)	6,315	6,581	6,342	6,697	7,157	7,492	7,375
Low-income (50–80%)	7,251	7,460	7,488	7,650	7,168	7,750	7,795
Middle-income or higher (> 80%)	11,737	10,496	10,392	11,464	11,110	11,850	13,961
<b>Affordable units</b>	<b>37,197</b>	<b>37,577</b>	<b>37,924</b>	<b>39,330</b>	<b>39,744</b>	<b>43,075</b>	<b>43,992</b>
Extremely low-income (< 30% HAMFI)	6,870	7,098	6,747	7,280	6,265	6,854	7,294
Very low-income (30–50%)	12,366	12,863	12,368	11,071	10,938	10,947	10,727
Low-income (50–80%)	13,634	13,518	14,044	15,063	16,228	17,995	17,904
Middle-income or higher (> 80%)	4,328	4,099	4,765	5,916	6,313	7,279	8,067
<b>Affordable and available units</b>	<b>37,197</b>	<b>37,577</b>	<b>37,924</b>	<b>39,330</b>	<b>39,744</b>	<b>43,075</b>	<b>43,992</b>
Extremely low-income (< 30% HAMFI)	3,803	3,996	3,982	4,224	3,665	4,220	4,354
Very low-income (30–50%)	8,132	8,744	8,549	7,786	8,045	8,225	7,734
Low-income (50–80%)	11,665	12,396	12,865	13,196	14,004	15,361	14,529
Middle-income or higher (> 80%)	13,597	12,441	12,528	14,123	14,029	15,270	17,375

HAMFI = HUD-adjusted area Median Family Income.

Note: Income categories in this table do not overlap and therefore differ from the standard definitions.

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

TABLE A-14. AVERAGE INCOME AND AVERAGE GROSS RENT OF RENTER HOUSEHOLDS, BY RELATIVE INCOME, 2013

2013	Household Income As Percentage of HUD-Adjusted Area Median Family Income					
	0-30%	30-50%	50-80%	80-120%	> 120%	All Incomes
<b>Total households (thousands)</b>	<b>11,104</b>	<b>7,397</b>	<b>7,815</b>	<b>6,683</b>	<b>7,274</b>	<b>40,273</b>
Unassisted with severe problems	5,607	2,114	674	279	201	8,874
Unassisted with nonsevere problems only	779	3,185	3,182	1,370	717	9,233
Unassisted with no problems	1,046	1,011	3,502	4,841	6,236	16,636
Assisted	3,672	1,087	457	194	120	5,530
<b>Average monthly income</b>	<b>\$726</b>	<b>\$1,961</b>	<b>\$3,081</b>	<b>\$4,415</b>	<b>\$9,232</b>	<b>\$3,559</b>
Unassisted with severe problems	\$794	\$1,869	\$2,937	\$3,977	\$8,138	\$1,479
Unassisted with nonsevere problems only	\$1,039	\$2,057	\$3,086	\$4,346	\$9,170	\$3,218
Unassisted with no problems	\$331	\$1,983	\$3,122	\$4,492	\$9,277	\$5,583
Assisted	\$670	\$1,839	\$2,940	\$3,628	\$9,109	\$1,374
<b>Average gross rent</b>	<b>\$714</b>	<b>\$816</b>	<b>\$870</b>	<b>\$1,006</b>	<b>\$1,293</b>	<b>\$917</b>
Unassisted with severe problems	\$863	\$1,125	\$1,507	\$2,297	\$2,390	\$1,056
Unassisted with nonsevere problems only	\$563	\$723	\$931	\$1,243	\$1,898	\$954
Unassisted with no problems	\$590	\$500	\$695	\$863	\$1,192	\$925
Assisted	\$542	\$708	\$732	\$887	\$931	\$611
<b>2011</b>	<b>0-30%</b>	<b>30-50%</b>	<b>50-80%</b>	<b>80-120%</b>	<b>&gt; 120%</b>	<b>All Incomes</b>
<b>Total households (thousands)</b>	<b>11,774</b>	<b>7,492</b>	<b>7,750</b>	<b>5,799</b>	<b>6,051</b>	<b>38,867</b>
Unassisted with severe problems	6,209	2,266	683	210	180	9,548
Unassisted with nonsevere problems only	934	3,264	3,218	1,174	604	9,194
Unassisted with no problems	984	1,019	3,447	4,218	5,159	14,828
Assisted	3,648	943	403	196	108	5,298
<b>Average monthly income</b>	<b>\$743</b>	<b>\$1,970</b>	<b>\$3,096</b>	<b>\$4,452</b>	<b>\$8,989</b>	<b>\$3,286</b>
Unassisted with severe problems	\$788	\$1,878	\$2,964	\$4,562	\$8,734	\$1,435
Unassisted with nonsevere problems only	\$1,057	\$2,042	\$3,139	\$4,427	\$8,965	\$3,085
Unassisted with no problems	\$391	\$2,046	\$3,095	\$4,493	\$9,011	\$5,300
Assisted	\$681	\$1,857	\$3,000	\$3,596	\$8,504	\$1,335
<b>Average gross rent</b>	<b>\$681</b>	<b>\$797</b>	<b>\$861</b>	<b>\$957</b>	<b>\$1,275</b>	<b>\$874</b>
Unassisted with severe problems	\$797	\$1,086	\$1,490	\$1,870	\$2,924	\$979
Unassisted with nonsevere problems only	\$571	\$691	\$930	\$1,265	\$1,908	\$920
Unassisted with no problems	\$648	\$563	\$669	\$826	\$1,147	\$884
Assisted	\$515	\$644	\$749	\$878	\$995	\$580

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

TABLE A-15. HOUSING CONDITIONS OF HOUSEHOLDS HAVING NONELDERLY PEOPLE WITH DISABILITIES, BY DISABILITY TYPE, 2011 AND 2013

2013	Functional Limitations					ADL/IADL Limitations	
	Any Limitation	Hearing	Visual	Cognitive	Ambulatory	Self-Care	Independent Living
<b>Households (thousands)</b>	<b>9,315</b>	<b>2,010</b>	<b>1,699</b>	<b>3,667</b>	<b>5,018</b>	<b>1,524</b>	<b>2,884</b>
Renter households	4,265	767	805	1,788	2,366	675	1,290
Owner households	5,050	1,243	895	1,879	2,653	849	1,594
<b>Renters (thousands)</b>	<b>4,265</b>	<b>767</b>	<b>805</b>	<b>1,788</b>	<b>2,366</b>	<b>675</b>	<b>1,290</b>
Unassisted with severe problems	1,156	190	215	500	686	229	417
Unassisted with nonsevere problems only	910	170	184	367	463	135	267
Unassisted with no problems	1,120	228	211	393	565	127	220
Assisted	1,080	179	194	529	652	184	387
<b>Very low-income renters (thousands)</b>	<b>2,804</b>	<b>481</b>	<b>524</b>	<b>1,281</b>	<b>1,623</b>	<b>474</b>	<b>955</b>
Unassisted with severe problems	1,085	179	199	481	648	221	389
Unassisted with nonsevere problems only	509	79	108	209	257	80	147
Unassisted with no problems	223	59	34	103	118	12	53
Assisted	987	164	184	488	601	161	365
<b>Any with severe problems</b>	<b>1,439</b>	<b>236</b>	<b>277</b>	<b>642</b>	<b>864</b>	<b>286</b>	<b>520</b>
Rent burden > 50% of income	1,384	230	260	617	825	274	500
Severely inadequate housing	117	18	32	62	77	24	50
[Rent burden only, adequate housing]	1,166	188	202	512	699	235	406
<b>Any with nonsevere problems only</b>	<b>825</b>	<b>131</b>	<b>158</b>	<b>388</b>	<b>449</b>	<b>130</b>	<b>258</b>
Rent burden 30–50% of income	740	115	130	344	405	118	230
Moderately inadequate housing	129	34	30	73	85	23	43
Crowded housing	65	7	14	24	16	17	24
[Rent burden only]	647	92	114	302	352	98	199
<b>Any with no problems</b>	<b>540</b>	<b>113</b>	<b>89</b>	<b>251</b>	<b>310</b>	<b>58</b>	<b>178</b>

TABLE A-15. (CONTINUED) HOUSING CONDITIONS OF HOUSEHOLDS HAVING NONELDERLY PEOPLE WITH DISABILITIES, BY DISABILITY TYPE, 2011 AND 2013

2011	Functional Limitations					ADL/IADL Limitations	
	Any Limitation	Hearing	Visual	Cognitive	Ambulatory	Self-Care	Independent Living
<b>Households (thousands)</b>	<b>9,995</b>	<b>2,272</b>	<b>1,808</b>	<b>4,018</b>	<b>5,020</b>	<b>1,480</b>	<b>2,877</b>
Renter households	4,570	838	862	2,036	2,380	682	1,335
Owner households	5,425	1,434	946	1,982	2,640	797	1,542
<b>Renters (thousands)</b>	<b>4,570</b>	<b>838</b>	<b>862</b>	<b>2,036</b>	<b>2,380</b>	<b>682</b>	<b>1,335</b>
Unassisted with severe problems	1,377	218	254	647	705	223	414
Unassisted with nonsevere problems only	955	188	190	406	501	108	234
Unassisted with no problems	1,141	296	238	440	543	123	292
Assisted	1,097	135	180	544	631	228	396
<b>Very low-income renters (thousands)</b>	<b>3,068</b>	<b>481</b>	<b>548</b>	<b>1,474</b>	<b>1,661</b>	<b>502</b>	<b>974</b>
Unassisted with severe problems	1,307	204	232	620	684	218	403
Unassisted with nonsevere problems only	545	107	104	238	304	52	132
Unassisted with no problems	219	59	47	111	99	33	89
Assisted	997	111	164	506	574	199	349
<b>Any with severe problems</b>	<b>1,656</b>	<b>243</b>	<b>299</b>	<b>791</b>	<b>879</b>	<b>283</b>	<b>519</b>
Rent burden > 50% of income	1,589	234	287	766	840	274	491
Severely inadequate housing	175	34	34	77	83	34	67
[Rent burden only, adequate housing]	1,325	188	221	640	690	209	384
<b>Any with nonsevere problems only</b>	<b>893</b>	<b>136</b>	<b>156</b>	<b>423</b>	<b>505</b>	<b>121</b>	<b>252</b>
Rent burden 30–50% of income	756	112	114	368	435	107	222
Moderately inadequate housing	192	28	48	107	110	24	59
Crowded housing	108	20	19	63	49	10	24
[Rent burden only]	609	94	92	264	358	87	179
<b>Any with no problems</b>	<b>519</b>	<b>102</b>	<b>92</b>	<b>260</b>	<b>277</b>	<b>98</b>	<b>203</b>

ADL = Activities of Daily Living. IADL = Instrumental Activities of Daily Living.

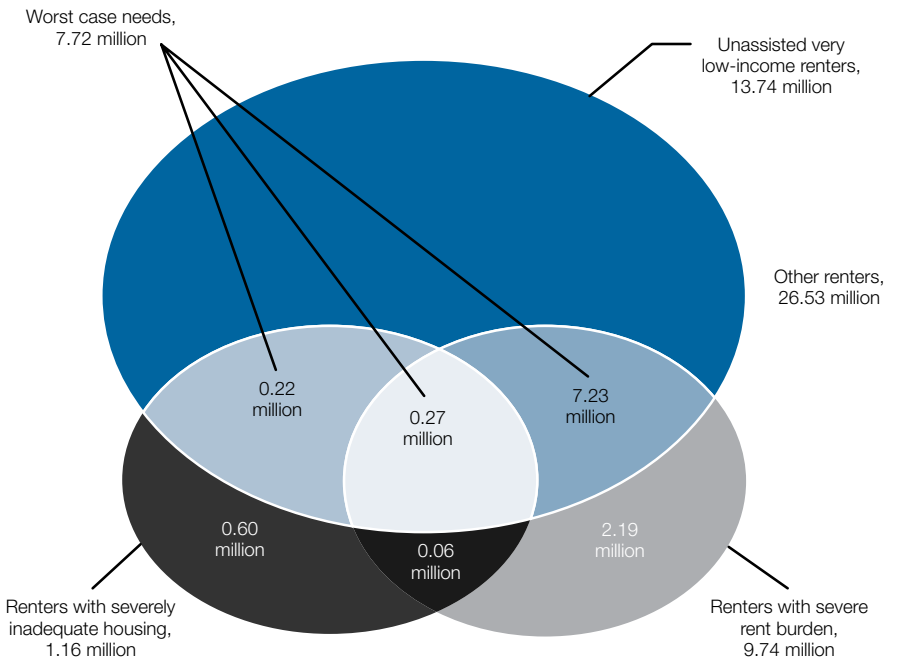
Source: HUD-PD&amp;R tabulations of American Housing Survey data

## SUPPLEMENTAL EXHIBITS

APPENDIX

# B

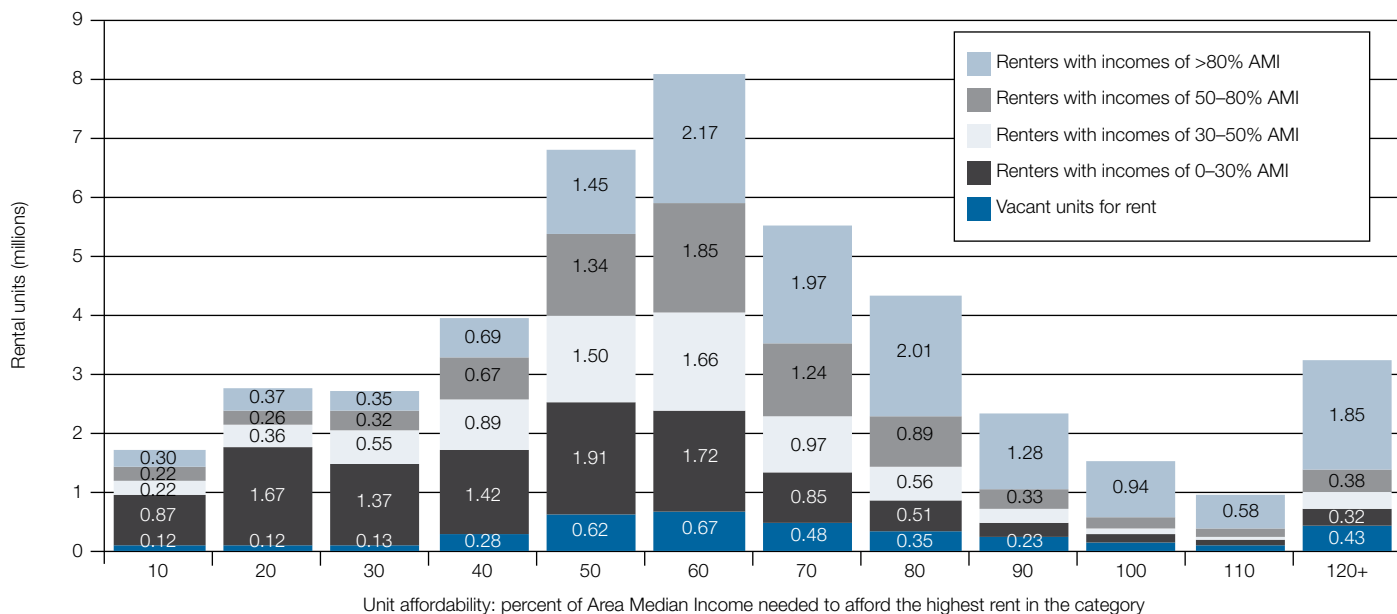
**EXHIBIT B-1. BIRD'S EYE VIEW OF WORST CASE HOUSING NEEDS IN 2013**



Note: Not to scale.

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

EXHIBIT B-2. AFFORDABLE RENTAL UNITS OCCUPIED BY HIGHER INCOME RENTERS, 2013



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

EXHIBIT B-3. RENTAL STOCK OF BELOW-FMR UNITS, 2013

	Households (thousands)	Housing Units (thousands)			Housing Units per 100 Households		
		Affordable	Affordable and Available	Affordable, Available, and Adequate	Affordable	Affordable and Available	Affordable, Available, and Adequate
All	24,418	28,049	20,827	18,867	114.9	85.3	77.3
Northeast	4,878	5,492	4,187	3,716	112.6	85.8	76.2
Midwest	4,342	5,223	3,582	3,266	120.3	82.5	75.2
South	8,666	10,181	7,597	6,883	117.5	87.7	79.4
West	6,532	7,153	5,461	5,002	109.5	83.6	76.6
City	10,840	11,954	9,265	8,210	110.3	85.5	75.7
Suburb	9,194	10,668	7,696	7,153	116.0	83.7	77.8
Nonmetro	4,384	5,428	3,866	3,503	123.8	88.2	79.9

FMR = Fair Market Rent.

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



## FEDERAL HOUSING ASSISTANCE AND AFFORDABLE HOUSING PROGRAMS

HUD provides rental housing assistance through three key programs.

1. **Public housing.** Provides affordable housing to 1.1 million families through units owned and managed by local public housing agencies. Families are required to pay 30 percent of their incomes for rent.
2. **Project-based assisted housing.** Provides assistance to 1.3 million families living in privately owned rental housing. The assistance is attached to the units, which are reserved for low-income families who are required to pay 30 percent of their incomes for rent.
3. **Tenant-based rental assistance.** The Section 8 voucher program supplements the rent payments of more than 2.0 million families in the private rental market. The program is administered through state and local housing agencies. Although 30 percent of income is the rent baseline, families often pay more and use these portable subsidies to locate housing of their choice.

Several other federal housing programs produce affordable housing, typically with shallower subsidies. Although these units are often more affordable than market-rate units, without additional rent subsidies (such as vouchers), extremely low-income families would often have to pay much more than 30 percent of their incomes under these programs.

- **Low-Income Housing Tax Credit (LIHTC) Program.** Tax credits offered to investors by the U.S. Department of the Treasury subsidize the capital costs of units that have rents affordable to households with incomes not exceeding 60 percent of Area Median Income.
- **HOME Investment Partnerships Program.** Provides annual formula grants to state and local governments that can be used to assist homeowners, first-time homebuyers, or renters. Qualifying rents must be affordable to households with incomes not exceeding 65 percent of AMI or must be less than the local Fair Market Rent (FMR), whichever is less.
- **Housing Opportunities for Persons With AIDS.** Annual formula and competitive grants available to state and local governments and nonprofits for rental assistance targeted to a special-needs population.
- **Older rental subsidy programs.** Programs named for sections of the National Housing Act, primarily the Section 221(d)(3) Below Market Interest Rate Program and the Section 236 mortgage assistance program, were active from the early 1960s through the early 1970s. They were designed to produce housing affordable for families with incomes greater than the public housing income limits.

For further detail on HUD program requirements, see HUD-PD&R (2006).





## PREVIOUS REPORTS TO CONGRESS ON WORST CASE NEEDS

- *Priority Problems and “Worst Case” Needs in 1989* (June 1991, HUD-1314-PDR).
- *The Location of Worst Case Needs in the Late 1980s* (December 1992, HUD-1387-PDR).
- *Worst Case Needs for Housing Assistance in the United States in 1990 and 1991* (June 1994, HUD-1481-PDR).
- *Rental Housing Assistance at a Crossroads: A Report to Congress on Worst Case Housing Needs* (March 1996).
- *Rental Housing Assistance—The Crisis Continues* (April 1998).
- *Rental Housing Assistance—The Worsening Crisis: A Report to Congress on Worst Case Housing Needs* (March 2000).
- *A Report on Worst Case Housing Needs in 1999: New Opportunity Amid Continuing Challenges, Executive Summary* (January 2001).
- *Trends in Worst Case Needs for Housing, 1978–1999* (December 2003).
- *Affordable Housing Needs: A Report to Congress on the Significant Need for Housing* (December 2005).
- *Affordable Housing Needs 2005: Report to Congress* (May 2007).
- *Housing Needs of Persons With Disabilities: Supplemental Findings to the Affordable Housing Needs 2005 Report* (February 2008).
- *Worst Case Housing Needs 2007: A Report to Congress* (May 2010).
- *Worst Case Housing Needs 2009: Report to Congress* (February 2011).
- *Worst Case Housing Needs 2011: Report to Congress* (August 2013).

These publications are available on line at <http://www.huduser.org>.



## DATA AND METHODOLOGY

A report such as this one requires researchers to use a number of specialized concepts, definitions, and assumptions when analyzing and presenting the data. This appendix documents such elements for those who wish to understand the results more fully or replicate and extend the results in their own research.

### Using the American Housing Survey Data

This report uses data from the most recently available American Housing Survey (AHS), conducted in 2013. The AHS, which is the only detailed periodic national housing survey in the United States, is sponsored by HUD and conducted by the Census Bureau. It provides nationally representative data on a wide range of housing subjects, including apartments, single-family homes, mobile homes, vacant homes, family composition, income, housing and neighborhood quality, housing costs, equipment, fuel type, size of housing units, and recent moves. National data are collected every 2 years from a sample of about 53,000 housing units, but, for 2013, about 84,400 housing units were sampled.<sup>30</sup> The survey, which started in 1973, has sampled the same housing units since 1985; it also samples newly constructed units to ensure both continuity and timeliness of the data. Information from the worst case needs reports has helped inform public policy decisions, including decisions on targeting existing resources, determining the need for additional resources, and choosing the form housing assistance should take.

To accurately estimate worst case needs for federal rental assistance from AHS data, it is essential to determine whether household incomes fall below HUD's official very low-income limits (50 percent of HUD-adjusted area median family income [HAMFI], also termed Area Median Income), whether a household already receives housing assistance, and whether an unassisted income-eligible household has one or more of the priority problems that formerly conferred preference in tenant selection for assistance (rent burdens exceeding 50 percent of income, substandard housing, or being involuntarily displaced).

**Weighting.** Because the AHS is based on a sample of housing units rather than a census of all housing units, estimates based on the data must be “weighted up” so that totals for each year match independent estimates of the total housing stock and better represent the full housing stock. The Census Bureau weights up responses to account for undercoverage of households (about 2.2 percent) and household nonresponse (about 11 percent). The weights for 2001-through-2009 AHS data used in this report are based on the 2000 Census of Housing, with adjustments for estimated change since then. The 2011 and 2013 AHS data are weighted to 2010 census benchmarks.

<sup>30</sup> Census 2013, “National Appendix B: Sample Design and Weighting.”

**Exclusions.** Households reporting incomes that are zero or negative are excluded from estimates of worst case needs, although they are included in counts of total households. If such households pay rents greater than the Fair Market Rent and report zero or negative incomes, then their income situation is presumably temporary, and so they are included and higher incomes are imputed to them.

## Household and Family Types

In this report, the terms “family” and “household” are not interchangeable, because not all households are families. *Families* refers only to a subset of households that have one or more people in the household related to the *householder* (the first household member age 18 years or older who is listed as an owner or renter of the housing unit) by birth, marriage, or adoption.

**Families with children.** Households with a child younger than age 18 present are presumed to meet the definition of family through relation by birth or adoption (including grandparents as parents).

**Elderly households without children.** Households in which the householder or spouse is age 62 or older and in which no children are present. Elderly households may be either family or nonfamily households.

**Other family households.** Households with a nonelderly householder and no children in which either (1) one or more people are related to the householder by birth, marriage, or adoption; or (2) one or more subfamilies reside there who have members related to each other by birth, marriage, or adoption.

**Other nonfamily households.** Households with a single nonelderly person living alone or with only nonrelatives. Most of these households comprise single people living alone rather than unrelated people sharing housing.

**Households with disabilities.** Before 2009, no questions in the AHS were designed to ascertain directly whether individuals suffered from disabilities. Worst case needs reports for 2007 and earlier identified households containing people with disabilities using various forms of income-based proxies. Households with disabilities (1) were not families with children, (2) were not elderly households, and (3) received some form of income or government assistance that is very likely to indicate that an adult with disabilities is present in the household. Beginning with the 2009 AHS, the survey now asks direct questions about impairments and difficulties with activities of daily living about each household member, including children. This report therefore addresses disability on the basis of people identified with these problems. In this report, elderly people with disabilities do not increase the number of households with disabilities because of the prevalence of disabilities associated with aging.

## Housing Assistance Status

In 1997, the AHS questions intended to identify households receiving rental assistance were changed in both content and order from those used previously. After careful review, HUD and the Census Bureau adopted the following procedure to identify assisted units in a way that produces results that are more comparable with pre-1997 data. These questions were further refined in 2007, as a result of additional cognitive research.

- Determine whether the household must recertify to determine the rent it pays.
- Determine whether the rent is less because of a federal, state, or local government housing program.
- Determine whether the household has a housing voucher, and, if so, whether it can be used to move to another location.
- Determine whether the housing authority is the household’s landlord.
- Determine whether the household was assigned to its housing unit or allowed to choose it.

## Housing Problems

**Rent or cost burden.** A ratio of housing costs (including utilities) to household income that exceeds 30 percent, which is a conventional standard for housing affordability. To the extent that respondents underreport total income, the AHS estimates may overcount the number of households with a cost burden. A *severe* cost burden exceeds 50 percent of reported income. A *moderate* cost burden exceeds 30 percent but is less than or equal to 50 percent of reported income. Cost burdens qualify as potential worst case needs only if they are severe. Households reporting zero or negative income are defined as having no cost burden.

**Inadequate housing.** Housing with severe or moderate physical problems, as defined in the AHS since 1984 and modified from time to time to reflect changes in the survey. Severe inadequacies constitute potential worst case needs, but moderate inadequacies do not. The 2007 AHS eliminated the questions about hallways (common stairways and light fixtures) in multiunit structures in the section on selected physical problems, which affects the classification of units having severe or moderate physical problems. Briefly, a unit is defined as having severe physical inadequacies if it has any one of the following four problems.

1. **Plumbing.** Lacking piped hot water or a flush toilet or lacking both bathtub and shower, all for the exclusive use of the unit.
2. **Heating.** Having been uncomfortably cold during the past winter for 24 hours or more, or three times for at least 6 hours each, because of broken-down heating equipment.

3. **Electrical.** Having no electricity or having all of the following three electrical problems: exposed wiring, a room with no working wall outlet, and three or more blown fuses or tripped circuit breakers in the past 90 days.
4. **Upkeep.** Having any five of the following six maintenance problems: leaks from outdoors, leaks from indoors, holes in the floor, holes or open cracks in the walls or ceilings, more than 1 square foot of peeling paint or plaster, and rats in the past 90 days.

A unit has moderate inadequacies if it has any of the following four problems, but none of the severe problems listed previously.

1. **Plumbing.** Having all toilets break down simultaneously at least three times in the past 3 months for at least 3 hours each time.
2. **Heating.** Having unvented gas, oil, or kerosene heaters as the main source of heat (because these heaters may produce unsafe fumes and unhealthy levels of moisture).
3. **Upkeep.** Having any three of the six upkeep problems associated with severe inadequacies.
4. **Kitchen.** Lacking a sink, range, or refrigerator for the exclusive use of the unit.

**Overcrowding.** The condition of having more than one person per room in a residence. Overcrowding is counted as a moderate problem rather than a severe problem that constitutes a potential worst case need.

**“Priority” problems.** Problems qualifying for federal preference in admission to assisted housing programs between 1988 and 1996, including paying more than one-half of income for rent (severe rent burden), living in severely substandard housing (including being homeless or in a homeless shelter), or being involuntarily displaced. These problems informed the original definition of worst case needs. Because the AHS sample tracks housing units and thus cannot count homeless people, AHS estimates of priority problems are limited to the two severe problems described previously: (1) rent burdens greater than 50 percent of income, or (2) severe physical problems. In accordance with the intention to estimate the number of unassisted very low-income renters with priority problems, the exhibits in appendix A classify households with a combination of moderate problems and severe problems as having severe problems.

## Income Measurement

**Income sources.** *Income* means gross income reported by AHS respondents for the 12 months preceding the interview.

Beginning with the 2007 AHS, the previous combined question on interest, dividend, and rental income was split into separate items. The “other income” question was also modified to no longer include child support or alimony. For each person in the family, the AHS questionnaire collects the amounts of 13 different types of income. Income includes amounts reported for wage and salary income, net self-employment income, Social Security or railroad retirement income, public assistance or welfare payments, and all other money income before deductions for taxes or any other purpose. Imputed income from equity is not included as income in this report. In accordance with HUD rules for determining income eligibility for HUD programs, the earnings of teenagers age 17 and younger are not counted as income for this report.

**Supplemental and in-kind income sources.** Poorer renters with high rent burdens are asked several questions about whether people outside the household contributed to household expenses such as rent, food, and childcare. The supplemental questions are asked of assisted renters who paid more than 35 percent of their reported income for rent and of unassisted renters with household incomes of less than \$10,000 who paid more than 50 percent of their income for rent. (These questions were not asked in the 2007 AHS, because the module could not be translated to the Census Bureau’s new computer language [Blaise] in time.)

**Family income.** Reported income from all sources for the householder and other household members related to the householder.

**Household income.** Reported income from all sources for all household members age 18 and older.

## Income Categories

**HAMFI and official income limits.** HUD is required by law to set income limits each year that determine the eligibility of applicants for assisted housing programs. In 1974, Congress defined “low income” and “very low income” for HUD rental programs as incomes not exceeding 80 and 50 percent, respectively, of HAMFI. HAMFI is more commonly referred to as AMI, although the latter term may be subject to misinterpretation. Note that income limits are based on median family income (MFI), not on median household income. HUD determines base income limits for a household of four. Income limits are further adjusted by household size: one person, 70 percent of base; two people, 80 percent; three people, 90 percent; five people, 108 percent; six people, 116 percent; and so on. Each household is assigned to an income category using the income limit appropriate to its area and the number of household members.<sup>31</sup>

<sup>31</sup> For details about how HUD sets income limits, see <http://www.huduser.org/portal/datasets/il.html>.

**Income cutoffs in association with AHS geography.** To categorize households in relation to “local” income limits as accurately as possible within the limitations of the geography given on the AHS public use files, HUD compares household incomes with area income limits. Very low-income and low-income cutoffs for a household of four are defined for each unit of geography identified in the AHS national microdata files. For housing units outside these metropolitan areas, the AHS geography identifies only four regions, metropolitan status, and six climate zones. Average income limits were estimated for each of these 48 locations.

Because developing estimates of official income limits for the geography identified in the AHS microdata was time consuming, before the 2003 AHS release, HUD prepared income limits to use with AHS geography for only 3 years: 1978, 1986, and 1995. Income cutoffs for the 2003 AHS release and each subsequent dataset have been based on HUD’s current income limits for those years, weighted by AHS weights. The Census Bureau adds these cutoffs to the AHS public use file. Additional detail about income limits can be found in the AHS Codebook (HUD-PD&R, 2013: 1051–1052).

**Categorizing households by income.** For this report, when households are categorized using the extremely low-, very low-, and low-income cutoffs, the cutoffs are adjusted for household size using the same adjustment factors that HUD programs use.

In addition, households reporting negative income are attributed incomes of slightly more than AMI if their monthly housing costs exceed the FMR and they lived in adequate and uncrowded housing. The justification for imputing higher incomes is that many households in this situation live in housing with amenities such as dining rooms, balconies, and off-the-street parking and thus may be reporting temporary accounting losses.

- **Extremely low income.** Income not in excess of 30 percent of HAMFI, as determined by the extremely low-income cutoff.
- **Very low income.** Income not in excess of 50 percent of HAMFI, as determined by the very low-income cutoff. Very low income thus includes extremely low income, although the term sometimes is used loosely in specific contexts, such as mismatch analysis, to mean incomes of between 30 and 50 percent of HAMFI.
- **Low income.** Reported income not in excess of 80 percent of HAMFI, as determined by the low-income cutoff.
- **Poor.** Household income of less than the U.S. national poverty cutoff for that household size. As discussed in appendix A of the Census Bureau’s AHS publications, AHS poverty estimates differ from official poverty estimates made from the Current Population Survey. AHS poverty estimates are based on the income of households rather than the income of families or individuals, and AHS income questions

are much less detailed and refer to income during the past 12 months rather than during a fixed period. The poverty cutoff for a family of four approximates 33 percent of HAMFI. Comparisons of income limits with poverty thresholds are presented in exhibits A-6a, A-6b, A-7, and A-8.

- **Middle income.** For this report, income exceeding 80 percent and less than 120 percent of HAMFI.
- **Upper income.** For this report, income exceeding 120 percent of HAMFI.

## Location

**Metropolitan Statistical Area.** From 1973 to 1983, the definitions of metropolitan location in AHS data corresponded to the 243 Standard Metropolitan Statistical Areas used in the 1970 census. Since 1984, metropolitan location in the AHS has referred to the Metropolitan Statistical Areas defined in 1983, based on the 1980 census.

**Region.** The four census regions are the Northeast, Midwest, South, and West.

## Mismatch of Supply and Demand for Affordable Rental Housing

**Mismatch.** The discrepancy between the number of rental units needed by renters of various income categories and the number provided by the market that are affordable at those income levels.

**Affordability.** Several federal rental programs define “affordable” rents as those requiring not more than 30 percent of an income cutoff defined in relation to HAMFI. Under the Low-Income Housing Tax Credit Program (LIHTC), for example, housing units with rents up to 30 percent of 60 percent of HAMFI qualify as affordable and eligible for the credit.

This report generalizes the approach developed to define LIHTC maximum rents for units of different sizes to define three categories of affordability (extremely low income, very low income, and low income) based on the incomes that are sufficient for the rents: at or less than 30 percent of HAMFI, more than 30 and not more than 50 percent of HAMFI, and more than 50 percent of HAMFI. Gross rents for each unit, including payments for utilities, are compared with 30 percent of HUD’s extremely low-income and very low-income cutoffs.

The income limits used to define rent affordability are adjusted for number of bedrooms using the formula codified at 26 U.S.C. 42(g)(2)(C): no bedrooms, 70 percent of base; one bedroom, 75 percent; two bedrooms, 90 percent; three bedrooms, 104 percent; four bedrooms, 116 percent; and plus 12 percent of base for every additional bedroom. This formula assumes that an



efficiency unit houses one person, a one-bedroom unit houses 1.5 people, and each additional bedroom houses another 1.5 people. For vacant units, the costs of any utilities that would be paid by an occupant were allocated using a “hot deck” technique based on a matrix of structure type, AHS climate code, and eight categories of gross rent.

**Three measures of affordability.** HUD uses three measures to analyze the supply of the rental housing stock in relation to the number of renters with household incomes below specified thresholds: affordable units per 100 renters; affordable and available units per 100 renters; and affordable, available, and adequate units per 100 renters.

**Categorizing rental units by affordability and households by income.** To analyze the mismatch between affordability and income, HUD compares household incomes and housing unit rents with the current income limits (for income and rent categories up to and including 80 percent of HAMFI) and to a ratio of HAMFI (for categories exceeding 80 percent of HAMFI). As in the analysis of household income, households reporting negative income are redefined as having incomes slightly greater than MFI if their monthly housing costs were more than the FMR and they lived in adequate and uncrowded housing. Units with “no cash rent” reported are categorized solely on the basis of utility costs. Utility costs are allocated to vacant units through hot-deck imputation based on units that are comparable on the basis of cost, number of units, region, and tenure.

## Race and Ethnicity

In 2003, the AHS began using revised Census Bureau categories of race and ethnicity that are not directly comparable with the categories used in the AHS from 2001 and earlier. Survey respondents may now select more than one racial group, causing slight but significant decreases in the size of previously monolithic categories.



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