

Strategic Objective 2A: Rental Investment

Ensure sustainable investments in affordable rental housing.

OVERVIEW

According to the latest American Community Survey, the number of households earning under \$15,000 a year and paying more than half their incomes for housing increased by 1.5 million in 2007–10, nearly doubling the increase from 2001–2007. The scale of this problem, and others presented in the *Worst Case Housing Needs 2011*² study, requires major strategic decisions. As worst case housing needs continue to increase and the level of housing assistance remains relatively flat, the gap between the number of assisted units and the number of households with severe housing needs has never been wider and will continue to grow unless the level of private investment into affordable housing grows. Currently, for every very low-income household that receives rental assistance, there are nearly two very low-income households with worst case housing needs. Individuals and families are considered to have “worst case housing needs” when they have incomes below 50 percent of the Area Median Income (AMI), do not receive government assistance, and either pay more than one-half their income on rent, live in severely inadequate conditions, or face both of these challenges.

STRATEGIES

- **Pursue Housing Finance Reform legislation.** HUD will continue working with Administration partners and Congress to support housing finance reform legislation that provides liquidity and capital to support affordable rental financing and that creates a dedicated, budget-neutral financing mechanism to support affordable rental housing and access to homeownership for low-income families.
- **Implement the Housing Trust Fund and support the Capital Magnet Fund.** HERA required the establishment and management of a Capital Magnet Fund and a Housing Trust Fund, the latter to be directed by the Secretary of the US Department of Housing and Urban Development. The Housing Trust fund is to be supported by amounts that may be appropriated, transferred, or credited to such fund under any other provision of law. HERA specified that the housing trust funds would come from the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. That plan, however, was delayed as a result of the financial challenges of those agencies. As these entities restore their fiscal health and as the Administration works with Congress on enacting comprehensive housing finance reform legislation, or capitalizing the Housing Trust Fund with direct appropriations, this strategic objective will assist in moving both initiatives forward.

² U.S. Department of Housing and Urban Development, 2013 (August); *Worst Case Housing Needs 2011: Report to Congress*.

LEADING THIS OBJECTIVE

Ben Metcalf
Deputy Assistant Secretary
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MEASURING OUR PROGRESS

HUD will track performance on the following indicators:

- ▶ **Number of households experiencing “Worst Case Housing Needs,”** prepared using [American Housing Survey](#) data and defined by a long-term series of reports designed to measure the scale of critical housing problems facing very low-income, un-assisted renters. *(key measure)*
- ▶ **Proportion of very low-income renters facing severe rent burdens,** prepared using [American Community Survey](#) data. *(contextual indicator)*
- ▶ **Percentage of rental units built in the preceding four years that had rents below \$800,** which are affordable for the median renter, prepared using [American Housing Survey](#) data. *(contextual indicator)*