Housing - Expanding

Low-Income Access

★ States can expand the supply of low-income housing by allowing families with Section 8 vouchers to use them at any available rental unit.

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Summary

- **The flagging economy is creating an affordable housing crisis for low-income Americans.**
- **Over 14 million households—one in seven—spend more than half their incomes on housing.**
- **The number of available public housing units is rapidly declining, as long-term contracts expire and profit-hungry owners scramble to rent or sell properties at current market value.**
- **In communities where rental vacancy rates are low, public housing agencies struggle to place families in rental units.**
- **States can expand the supply of low-income housing by allowing families with Section 8 vouchers to use them at any available rental unit.**
- **Permitting families to use vouchers at any available rental unit is an inexpensive way to create mixed-income neighborhoods.**
- **Currently, nine states prohibit discrimination against prospective renters based upon their source of income.**

The flagging economy is creating an affordable housing crisis for low-income Americans.

A single worker earning the minimum wage cannot afford adequate family housing anywhere in the country. In 37 states, two workers earning the federal minimum wage do not make enough to afford adequate family housing, while up to three times the federal minimum wage is still insufficient in the 10 least affordable states.[1]

Over 14 million households—one in seven—spend more than half their incomes on housing.[2]

While some family incomes have risen in tandem with rising rent costs, lower-income workers are being priced out of the housing market. As a result, many affected Americans are forced to live in housing beyond their means, squeeze their families into overcrowded dwellings, or live in housing that is out of compliance with health and safety codes.

The number of available public housing units is rapidly declining, as long-term contracts expire and profit-hungry owners scramble to rent or sell properties at current market value.

While public housing availability shrinks, the federal government has expanded its supply of Section 8 vouchers. As a result, families who are lucky enough to receive a voucher—some waiting lists have thousands of names—are unable to find Section 8 approved housing in increasingly tight rental markets.

In communities where rental vacancy rates are low, public housing agencies struggle to place families in rental units.

Local housing agencies are required to meet a 97 percent placement rate of eligible applicants in order to qualify for additional funding. Meeting that threshold is increasingly difficult for precisely those areas with the strongest need. The lack of available housing jeopardizes current and future Section 8 voucher recipients, because if counties fail to meet this strict federal guideline, they cannot apply for additional funding.

States can expand the supply of low-income housing by allowing families with Section 8 vouchers to use them at any available rental unit.

When "source of income" is included in a state's non-discrimination code for housing, families in need can have access to a wider range of rental options. Prohibiting source of income discrimination permits Section 8 voucher holders to look beyond the current federal housing stock, and helps poor families move away from areas of high-poverty concentration.

Permitting families to use vouchers at any available rental unit is an inexpensive way to create mixed-income neighborhoods.

Research consistently shows that communities with a range of family incomes have the resources to provide better schools, social services, and job

opportunities, and are better able to help low-income families break the cycle of poverty. Families who spend less on housing are able to spend more of their money in the community, boosting local economies, building individual assets, and reducing personal debt.

Nine states prohibit discrimination against prospective renters based upon their source of income.

Since the mid 1990s, nine states with diverse housing needs—California, Connecticut, Maine, Massachusetts, New Jersey, North Dakota, Oklahoma, Utah, and Vermont—have amended their housing anti-discrimination laws to include source of income as a protected category.

Endnotes

[1] Noam Neusner and Matthew Benjamin, "Shelter from the Storm," US News & World Report, July 29, 2002.

[2] Joint Center for Housing Studies and Harvard University, "The State of the Nation's Housing," 2003.

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For more information...

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Source of Income Anti-Discrimination Act

SECTION 1. SHORT TITLE

This Act shall be called the "Source of Income Anti-Discrimination Act."

SECTION 2. DEFINITION

After section XXX, paragraph XXX, the following new paragraph XXX shall be inserted:

"Source of income" means any lawful source of money paid directly or indirectly to a renter or buyer of housing, including:
1. Any lawful profession or occupation.
2. Any government or private assistance, grant or loan program.
3. Any gift, inheritance, pension, annuity, alimony, child support, or other consideration or benefit.
4. Any sale or pledge of property or interest in property.

SECTION 3. NO DISCRIMINATION IN HOUSING BASED ON SOURCE OF INCOME

In section XXX, after the word [religion], the following shall be inserted:
"source of income,".

[This is to be placed within the current statute against housing discrimination, e.g., "It is unlawful to discriminate in the sale or rental, or otherwise make unavailable or deny, a dwelling to any buyer or renter because of race, color, religion, source of income, sex…]

SECTION 4. EXCEPTIONS CONCERNING SOURCE OF INCOME

After section, paragraph XXX, the following new paragraph XXX shall be inserted:

The prohibitions in this subtitle against discrimination based on source of income do not prohibit a person from:
1. Refusing to consider income derived from any criminal activity; or
2. Determining the ability of a potential buyer or renter to pay a purchase price or pay rent by:
   a. Verifying, in a commercially reasonable manner, the source and amount of income of the potential buyer or renter; or
   b. Evaluating, in a commercially reasonable manner, the stability, security and credit worthiness of the potential buyer or renter or any source of income of the potential buyer or renter.

SECTION 5. EFFECTIVE DATE

This Act shall take effect on July 1, 2004.