HOUSING AFFORDABILITY IN IDAHO

A Chartbook by the Idaho Asset Building Network

NOVEMBER 2018
Idaho Asset Building Network

The Idaho Asset Building Network connects leaders, service providers, businesses, and consumers statewide to advance policies that support all Idahoans in achieving long-term financial security.

Idaho Voices for Children

Idaho Voices for Children champions policies that help kids and families thrive. They serve as a voice for children in policymaking conversations and drive change in the areas of health, child safety and well-being, education, school readiness, and family economic security.
# Table of Contents

I. Why Housing Matters ................................................................. 4
   Stable Homes Support Education Gains .................................... 5
   Quality Affordable Homes Critical to Good Health .................. 6
   Access to Affordable Homes Helps Avert Homelessness .......... 7
   Affordable Homes Provide Broad Economic Benefits ............ 8

II. Facing Our Housing Challenges Head On .......................... 9
   Idaho Wages Haven't Kept Pace with Rents and Mortgages .... 10
   There Aren’t Enough Affordable Homes for All Idahoans ....... 11
   Idaho Lacks Affordable Homes for Modest Households .......... 12
   Our Current Policies Hurt Communities of Color .................. 13
   Idaho Can’t Grow Without More Affordable Homes .............. 14

III. Proven Solutions Exist .......................................................... 15
   Housing Assistance Keeps Communities Strong by Ensuring a Place for Everyone .......... 16

Appendix: Rental Assistance ....................................................... 17
 Appendix: Community Planning & Development ..................... 18
 Definitions .................................................................................... 19
I. Why Housing Matters

Children who live in a safe, quality, affordable homes enjoy better health and educational outcomes and better mental and physical well-being. Affordable homes contribute to broad, positive impacts on families, seniors, people with disabilities, and our communities.

A number of factors make affordable homes very scarce, making it hard for our neighbors to afford a home and other household needs such as medications, food, and gasoline. Increasing and preserving the supply of affordable homes in areas with good schools, well-paying jobs, health care, and transportation helps families overcome obstacles and leads to greater community and economic development.
Stable Homes Support Education Gains

Affordable homes ensure kids do better in school. Children in modest households in an affordable home score better on cognitive development tests than their peers in unaffordable homes.

The gap between rents and wages force families to move more frequently, increasing social and academic challenges. In Idaho, climbing rents mean families of modest means are nearly twice as likely to move in a given year. Rising rents have also contributed to increased homelessness among K-12 students.


As Affordable Homes Become Scarcer Homelessness Among Idaho Schoolchildren Has Increased

Source: Idaho State Board of Education.

School year:
- 2010-11
- 2011-12
- 2012-13
- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18

Share of enrollment experiencing homelessness:
- 0.00%
- 0.75%
- 1.50%
- 2.25%
- 3.00%
Quality Affordable Homes Critical to Good Health

When rents are high, families prioritize rent and utilities over food and health care, even when serious health conditions are part of the picture. Ensuring enough affordable homes are available can lead to healthier families and communities.

In homes made affordable through rental vouchers, children are less likely to be hungry, less likely to be seriously underweight, and more likely to be in good health when compared to their peers in unaffordable homes.

In communities with enough affordable homes, primary care visits go up by 20 percent, emergency room visits go down by 18 percent, and accumulated medical expenses go down by 12 percent.


Communities with Enough Affordable Homes See Health Gains.

Source: Children’s HealthWatch, Center for Research Outcomes and Education.
Studies have found that families leaving homeless shelters for subsidized housing live in safer and higher quality communities and are less likely to return to a shelter than families who did not receive housing assistance.

An analysis of homelessness in Ada County found that stably housing 100 chronically homeless people would save $2.7 million in costs to area hospitals and local government.

Just as many Idahoans who experience homelessness live throughout the state as live in Ada County. We can avert homelessness in Idaho by making more affordable homes available.

Affordable Homes Provide Broad Economic Benefits

Investments in affordable homes yield a positive economic impact for communities, creating many jobs.

The federal government invested $92.5 million in 2015 to make homes in Idaho more affordable. That in turn created 1,212 direct and indirect jobs in Idaho.

Affordable homes also benefit rural communities that are seeing young workers leave. If rural areas take steps to sync rents and mortgages with incomes, young workers would find it easier to live and work in rural communities.

$92.5 million was invested through federal programs that make homes in Idaho more affordable.

That in turn created 1,212 direct and indirect jobs in Idaho.

II. Facing Our Housing Challenges Head On

Right now, our policies cause homes to go up in cost even while wages for Idahoans haven’t kept up. Each year, the growing distance between wages and climbing rents mean that fewer affordable homes are available.

Modest families and communities of color are affected the most by these dynamics. But if we continue down this path, our zip codes will determine the path of our lives. Families and workers will continue to be priced out of communities and our economy will suffer.

To ensure fairness, we need to make sure that affordable homes are available in all communities: large and small, rural, urban, and suburban.
Idaho Wages Haven’t Kept Pace with Rents and Mortgages

Idaho rents have grown three times faster than renters’ household incomes, making it hard for many families to keep up.

The shift to more expensive homes has caused median rent in Idaho to increase more than 30 percent since 1990 while Idaho median renter household income has increased by only 11 percent.

Today, only one out of the top five Idaho occupations has a median wage that is above what is needed to afford rent in a typical 2 bedroom home in the state. None of the most common occupations have entry wages sufficient enough to afford rent for a 2 bedroom.

We need to increase investments in rental assistance to bridge the gap between income and rents.

Today, Idaho has far fewer homes available to meet the needs of all renters. Overall, rents have been rising steadily in Idaho, even when accounting for inflation, leaving fewer affordable homes.

While Idaho gained nearly 56,000 low or modest-income households since 1990, the state added less than 7,000 affordable rental homes.

The number of higher-priced rental homes has increased dramatically. Rental assistance can help create more affordable homes with the current housing stock. Tax credits can help developers build homes that will ensure all Idahoans have access to affordable homes.

A shortage of affordable homes combined with stagnant wages makes it more difficult for Idahoans to find an affordable home. For 51,000 renter households who earn less than $19,012 annually, there are just 22,189 rental homes in Idaho that are available and affordable.

The shortage in affordable homes has grown from 20,652 in 2007 to 29,124 in 2016, a 41 percent increase.

The share of Idaho renters paying more than a third of family income has soared from 39 percent in 2007 to 46 percent in 2016.

Source: National Low Income Housing Coalition

Our Current Policies Hurt Communities of Color

Discrimination faced by people of color make defaulting on loans and foreclosure more likely and lead to higher rates of cost-burdened families in these communities.

Long-standing segregation means people of color live in less desirable areas and are more likely to receive subprime loans than whites, even if they have the same financial situation. With higher interest rates and bigger payments, subprime loans make it harder for borrowers to pay down and build up savings.

Everyone’s wealth is reduced when communities have a large number of foreclosed homes. We must find ways to ensure that housing policies are fair.

Source: Prosperity Now.

Idaho Can’t Grow Without More Affordable Homes

The cost of building homes is rising, making building affordable units a challenge for developers. In Idaho, permits for new home construction plummeted after the recession while Idaho’s population grew steadily.

Home building still lags behind 2005 levels. The most important tool Idaho uses to combat this challenge is federal assistance via the Low Income Housing Tax Credit (LIHTC). The credit provides a federal subsidy for developers to build and rehabilitate affordable homes which would otherwise not be financially feasible. Expansion of this credit would be an important step towards building more affordable homes.

Our federal budget includes funds to help Idahoans buy or rent homes, including tax breaks, loans, and assistance programs. Right now, less than a quarter of these resources go to households earning less than $40,000 a year. This policy choice means that people with less money must spend more of their income on a home, putting them at a disadvantage, as they are able to spend less on education and health. As home costs rise more quickly than incomes, this approach will continue to give the least help to those who need it.

But if policymakers and communities are guided by a commitment to fairness across places, we can develop solutions that we all want to live with.
When black, brown, and white families of all income levels can afford a home, everyone can contribute effectively to the economy. An affordable home is essential to building the self-sufficiency and stability of Idaho communities and housing assistance contributes to this goal by making sure that Idahoans who participate pay no more than 30 percent of their income toward housing.

Housing assistance through the Department of Agriculture and the Department of Housing and Urban Development helps thousands of Idahoans with disabilities, fixed income seniors, and working families afford a place to live each year.

### Snapshot of Idahoans Receiving Rental Assistance through U.S. Housing & Urban Development

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>households have children</td>
</tr>
<tr>
<td>30%</td>
<td>households have a person living with a disability</td>
</tr>
<tr>
<td>33%</td>
<td>have a head of household who is elderly</td>
</tr>
<tr>
<td>72%</td>
<td>have a head of household who is female</td>
</tr>
</tbody>
</table>

*Source: US Department of Housing and Urban Development.*

### Snapshot of Idahoans Receiving Rental Assistance through United States Department of Agriculture

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>52%</td>
<td>participants are children</td>
</tr>
<tr>
<td>9%</td>
<td>participants are living with a disability</td>
</tr>
<tr>
<td>32%</td>
<td>participants are elderly</td>
</tr>
<tr>
<td>68%</td>
<td>have a head of household who is female</td>
</tr>
</tbody>
</table>

*Source: US Department of Agriculture.*
HUD Project Based Section 8
The Section 8 Project Based program helps low-income families afford quality apartments by contracting with private owners. To be eligible, a household cannot exceed 80 percent of the area median income. Additionally, at least 40 percent of the assisted units must go to families with incomes not exceeding 30 percent of area median income. Seniors or people with disabilities make up two-thirds of households in this program.

FY 2017 Idaho Households Assisted: 3,779
FY 2017 Idaho Funding: $22,197,003

HUD Section 811 Supportive Disabled
The Section 811 program allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities that provide access to appropriate supportive services.

FY 2017 Idaho Households Assisted: 103
FY 2017 Idaho Funding: $323,600

HUD Section 202 Supportive Elderly
The Section 202 program is currently the only federal program expressly aimed to meet the affordable housing needs of elderly people by helping to pay the difference between 30 percent of their income and their monthly rent. To be eligible, a household must have at least one person who is 62 years or older earn less than 50 percent of area medium income. Most residents have income far below that threshold.

FY 2017 Idaho Households Assisted: 440
FY 2017 Idaho Funding: $910,109

USDA Section 521
Section 521 Rural Rental Assistance helps Idaho families pay the difference between 30 percent of their income and their monthly rent. Idahoans who earn less than 80 percent of area medium income, the elderly, and people with disabilities are eligible.

FY 2017 Idaho Households Assisted: 3,654
FY 2017 Idaho Funding: $19,111,530

HUD Housing Choice Voucher Program
The Housing Choice Voucher Program is one of the predominant tools used to help Idahoans afford housing in the private market. In order to be eligible for a voucher, households must not exceed a certain income limit, usually 80 percent of area medium income. Each year, 75 percent of new vouchers must be targeted to extremely low income households, or incomes not exceeding 30 percent of area median income. A family with a voucher must pay the higher of 30 percent of their income or a “minimum rent” of up to 50 dollars for rent and utilities.

FY 2017 Idaho Households Assisted: 7,261
FY 2017 Idaho Funding: $44,995,354

PUBLIC HOUSING
HUD Public Housing
Public housing is one of the main tools available for rental assistance programs. In order to be eligible for public housing, a household must have income not exceeding 80 percent of the area median income. Each year, 40 percent of new families admitted must be with incomes not exceeding 30 percent of area median income. In 2016, 90 percent of public housing households were elderly, had disabilities, worked, or were subject to work requirements. Households must contribute at least 50 dollars towards rent and utilities.

FY 2017 Idaho Households Assisted: 763
FY 2017 Idaho Funding: $2,036,624*

*In addition to rental assistance through public housing, Idaho also received $35,519,850 in funding for the public housing authority operating and capital fund in FY 2017.


Appendix
Community Planning and Development

**Community Development Block Grants**
The Community Development Block Grant provides flexible funds for both rural and urban areas. They are often used to ensure decent affordable housing, address urgent community needs, and also benefit low to moderate income individuals within the community.
FY 2017 Idaho Funding: $11,471,420

**Emergency Solutions Grants**
The Emergency Solution Grant provides states with funding to aid families in regaining stable, permanent housing after experiencing a housing crisis or homelessness.
FY 2017 Idaho Funding: $1,555,887

**Home Investment Partnership**
The HOME Investment Partnership provides states with block grants to use to fund a wide range of housing activities, most notably building new affordable housing. These activities are often done in collaboration with local nonprofit groups.
FY 2017 New Affordable Rental Units: 43
FY 2017 Idaho Funding: $4,147,210

**Continuum of Care**
The Continuum of Care Program exists to help end homelessness in each state by coordinating housing and services funding for homeless individuals. The program funds efforts by non-profits and also funds efforts by state and local governments to help families and unaccompanied minors transition into supportive and permanent housing, helping promote stability.
FY 2017 Idahoans Experiencing Homelessness: 2,037
(as determined by January Point-In-Time count)
FY 2017 Idaho Funding: $3,717,376

**Low Income Housing Tax Credits**
The Low Income Housing Tax Credit is one of the most critical tools available to build and maintain affordable housing. The program gives state and local governments across the country resources to provide tax incentives for developers (both non-and for-profit) to build or rehabilitate affordable housing.
FY 2017 New Affordable Rental Units: 267
FY 2017 Idaho Funding: $3,953,013


**Definitions**

**AMI:** Area Median Income as determined by US Department of Housing and Urban Development.

**Low Income:** Families earning less than 80 percent of AMI.

**Affordable Rent:** Rent that is 30 percent or less of household income.