Rental Housing Policy in the United States: Key Facts and Critical Trade-offs

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Form of Government Assistance?

- Tenant-based assistance versus project-based assistance?
- What role for private sector?
- What role for state and local governments?
Number of Rental Housing Units/Households Assisted (2009)

*LIHTC units includes those which may be receiving Section 8 assistance as well.
Change over Time in Number of Rental Housing Units/Households Assisted

![Graph showing the change over time in the number of rental housing units/households assisted.](image)

Role of States and Localities

- Implement key federal housing programs, like vouchers and Low Income Housing Tax Credit.
- Design housing programs supported by federal block grants.
- Issue tax-exempt bonds to finance multifamily housing.
- Create and manage housing trust funds.
- Issue land-use and building regulations that affect affordable housing development.
Which Neighborhoods Should be Targeted?

- Where should new housing be constructed?
- Which developments should be prioritized for rehabilitation?
- To what extent should voucher holders be steered to high-opportunity neighborhoods?
Mean Poverty and Crime Rates of Neighborhoods Lived in by Renters in 2000, by Type of Renter

Sources: HUD Picture of Subsidized Households, Neighborhood Change Database, and Michael Lens (2010).
Who Should Receive Assistance?

- Entitlement program versus non-entitlement subsidies?
- Focus on neediest households or assistance to broader set of low-income households?
- Elderly versus families?
Share of Eligible Rental Households Receiving Housing Assistance

Share of Households Reporting Receipt of Housing Assistance, By Age and Income, 2009

Average Months on Waiting List for Section 8 Vouchers & Certificates, 2008

Source: USC Lusk Center Tabulations of HUD data.
Support for Homeownership versus Rental Housing?

- How much support should government provide to rental housing as compared to owner-occupied housing?
2009 Total Expenditures on Rental and Owner-Occupied Housing

Source: Office of Management and Budget: Tax Expenditures Spreadsheet and Historical Tables
Distribution of Homeownership Tax Benefits, by Income Quintile (2005)

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>0.3%</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.5%</td>
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<tr>
<td>Third Quintile</td>
<td>3%</td>
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<tr>
<td>Fourth Quintile</td>
<td>15%</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>82%</td>
</tr>
</tbody>
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Source: Urban Institute-Brookings Tax Policy Center