

AFFORDABLE HOUSING

Decent, stable, and affordable housing is at the core of strong, vibrant families and communities. MacArthur's grantmaking is designed to support more balanced housing policies that acknowledge the importance of affordable rental housing and to help low- and moderate-income Americans improve their lives.

AT A GLANCE

- America's housing policies have placed a premium on homeownership, but a healthy rental sector is vital for communities.
- Almost one third of Americans rent—some 37 million households—and the number of renter households has increased by 4 million since 2008.
- Between 1999 and 2009, 2.4 million rental units were lost (6.3 percent of total), even as the need increased.
- Early findings have shown that stable, quality housing improves school performance, diminishes health problems for children and parents, and lessens psychological stress.
- By 2012, MacArthur will have invested over \$300 million in grants and below market loans to preserve and expand the stock of affordable rental housing.



A FOCUS ON RENTAL

Adequate housing is a key element in determining quality of life. But housing of this standard is beyond the means of many low-income individuals and families and current government programs often do not meet their needs. Forty percent of American families cannot easily afford private sector housing and government funding is sufficient to serve only one quarter of families eligible to receive housing assistance.

Almost one third of Americans rent—some 37 million households—and the

number of renter households has increased by 4 million since 2008. Most Americans rent at some point in their lives: young people, workers moving to new jobs, elderly households down-sizing, and new immigrants are more likely to be renters. But between 1999 and 2009, 2.4 million rental units were lost (6.3 percent of total), even as the need increased.

The lack of affordable rental housing has a disproportionately severe impact on low-income households—who nearly all rent. Among the poorest Americans,

80 percent pay over a third of their incomes in rent. For these households, this means much less to spend on other essentials than those with more affordable housing costs: 37 percent less on food, 52 percent less on healthcare, and 71 percent less on transportation. More moderate- and middle-income households are facing a similar and increasing housing cost burden, typically defined as spending more than 30 percent of income on housing-related costs. From 2000 to 2009, the share of moderate-income Americans facing a housing cost burden increased from 39 to 55 percent,



Photo credit: Preservation Oregon

while among middle-income Americans, the share more than doubled, from 10 to 22 percent.

America's housing policies have placed a premium on homeownership, but a healthy rental sector is a vital element for communities that serve a diverse mix of ages, incomes, and occupations. The housing crisis has increased demand for rentals, and rents are rising in some markets across the country. National, state, and local housing policies should work toward expanding rental housing, preserving existing units, and strengthening private nonprofit owners, who are committed to maintaining affordable housing over the long term.



Photo credit: Aeon

MACARTHUR'S HOUSING INITIATIVES

Preserving and Improving Affordable Rental Housing

In the 1990s, MacArthur grew concerned about the state of affordable rental housing. Twice as many units were being lost as were being built, rents were rising while the median income of renters fell, and government investments that kept apartments affordable were expiring.

The Foundation's \$150 million Window of Opportunity: Preserving Affordable Rental Housing initiative, launched in 2003, has given grants and low-cost loans to over 25 regional and national rental housing organizations in 37 states. In addition, MacArthur has partnered with 14 different state and local jurisdictions to identify and help replicate innovative policies and practices, such as improving the energy efficiency of multifamily developments as a way to help owners and renters save. The Foundation has

also led preservation efforts with pioneering financing approaches, including an enhanced fund to support tax credit-funded projects. One tangible result is the direct preservation of over 70,000 affordable units across the country. The initiative aims overall to show that preservation is cost effective, spur public and private investment, and, most important, promote financing and policy innovations that encourage preservation at scale.

Promoting Evidenced-Based Policy

Compelling evidence that stable, affordable housing has a positive impact on education, employment, and health will help foster sustainable housing and social policies. When government funds are scarce, programs that are based on evidence may be more likely to receive support.

In 2008, MacArthur launched How Housing Matters to Families and Communities, a five-year, \$25 million initiative that includes a competitive

grants program and an interdisciplinary research network focused on the needs of young children. Early findings have shown that stable, quality housing improves school performance, diminishes health problems for children and parents, and lessens psychological stress.

Transforming Chicago's Public Housing

MacArthur was an early supporter of the Chicago Housing Authority's Plan for Transformation—a \$1.6 billion, 15-year program to demolish 16,000 deteriorated public housing units, build or renovate 25,000 new units, about one-third of them in new mixed-income communities. The Plan is a test case for both large-scale reform in public housing and for the mixed-income strategy, a centerpiece of federal public housing policy. MacArthur has invested more than \$60 million to support a variety of aspects of the Plan, including assessments of its impact on residents and local communities.

ADDITIONAL RESOURCES

Center for Housing Policy: www.housingpolicy.org

Chicago Housing Authority: www.thecha.org

Housing Assistance Council: www.ruralhome.org

Housing Partnership Network: www.housingpartnership.net

Joint Center for Housing Studies: www.jchs.harvard.edu

National Housing Law Project: www.nhlp.org

National Housing Trust: www.nhtinc.org

NeighborWorks America: www.nw.org

Stewards of Affordable Housing for the Future: www.sahfnet.org

Strength Matters Initiative: www.strengthmatters.net

What Works Collaborative: www.urban.org/what-works-collaborative.cfm

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