

Ensuring Safe & Affordable Housing

“Owning a home is at the heart of the American Dream. A home is a foundation for families and a source of stability for communities.”

President Bush’s Radio Address to the Nation, June 15, 2002

The Data

- **People who are homeless.** About 3.5 million people, 1.3 million of whom are children, or about 1% of the total U.S. population, are likely to experience homelessness in a given year. (www.nationalhomeless.org/numbers.html)
- **Families who live in substandard housing.** Among occupied housing units, 1.3 million lack complete plumbing, and 1.5 million lack complete kitchen facilities. (U.S. Census Bureau, Census 2000 Summary File 3)
- **Families who are homeowners.** Sixty-nine percent of American families overall are homeowners, but white, non-poor families have the highest rates of home ownership. (www.census.gov)
- **The link between housing and opportunity.** Housing and neighborhood location is closely associated with access to schools, community facilities, retail services, and recreational facilities. (www.policylink.org)

The Issues

- **Availability of affordable housing.** Based on the affordability standard of spending no more than 30% of income for housing, a full-time worker would need to make almost 3 times the minimum wage in order to rent a modest 2-bedroom home in a typical U.S. community. (www.nlihc.org/oor2004/pressrelease.htm) About 12 million renter and homeowner households pay more than 50% of their annual incomes for housing. (www.hud.gov/offices/cpd/affordablehousing/index.cfm)
- **Enforcement of housing codes for renters.** Irresponsible landlords may get away with not meeting housing codes. But when the code is enforced, rents may be raised to the level of unaffordability, or the city may condemn or seize the property, in both cases displacing current tenants. (www.policylink.org/EDTK/codeenforcement/Challenges.html)
- **Sufficient shelter for people who are homeless.** In virtually every city, the estimated number of people who are homeless exceeded the availability of emergency shelter and transitional housing spaces. In 2001, 52% of emergency shelter requests from families were denied. Rural areas may have no shelters at all. (www.nationalhomeless.org, above)
- **Barriers to home ownership.** Common barriers include a lack of affordable homes, inability to save for a down payment, affordable mortgage credit, a weak credit history, lack of knowledge about the homebuying process and assistance programs, and language barriers. (www.aecf.org/initiatives/fes/fes/investments_sub.htm#1)
- **Home ownership as an investment strategy.** A home purchase is the largest single investment most people ever make. Owning a home builds stability and long-term financial security, and it represents wealth to be passed to the next generation. (www.aecf.org/initiatives..., above)

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Options for Philanthropy

- **Underwriting promising interventions for low-income working families to buy their homes.** Individual development accounts (IDAs), in which matched dollars are provided for family savings, have been successful in enabling families with modest incomes to buy their own homes. The Corporation for Enterprise Development provides a website with tools for starting an IDA initiative, understanding applicable policy, and accessing the latest research and resources. (www.idanetwork.org)
- **Promoting promising practices for low-income working families to keep their homes.** Home equity scams, high utilities that make home ownership unaffordable, debt accumulation, and foreclosures can ruin the dream of home ownership. Once housing is acquired, families with limited incomes may need advice to retain their investment. The National Consumer Law Center provides advocates, service organizations, and homeowners with materials for sustaining home ownership. (www.consumerlaw.org/initiatives/sustainable_home/)
- **Supporting advocacy for affordable housing.** Strategies exist and policies can be shaped to increase the availability of affordable rental and for-sale homes. The National Low Income Housing Coalition provides local area data and offers education, research, and policy advocacy ideas for ending the nation's affordable housing crisis. (www.nlihc.org)
- **Initiating innovative solutions.** Community development financial institutions (CDFIs) are being created specifically to address the banking and capital needs of working families with modest incomes and simultaneously to build the community in which they're located. More can be learned about CDFIs at either www.communitycapital.org or www.cdfi.org.

Key Resources

- **U.S. Department of Housing and Urban Development (HUD).** HUD's Office of Community Planning and Development provides critical information about both affordable housing development and assistance to people who are homeless. (www.hud.gov/offices/cpd)
- **Annie E. Casey Foundation.** The Foundation's focus on Family Economic Success positions home ownership within the broader notion of family asset-building and offers an array of interconnected resources and ideas about families' financial futures. (www.aecf.org/initiatives/fes/)
- **PolicyLink.** PolicyLink's Equitable Development Toolkit offers strategies for the creation of affordable housing within the context of promoting regional policies that promise neighborhood stability and equity. (www.policylink.org/edtk/)
- **Fannie Mae Foundation.** The Foundation's website provides information and resources about affordable home ownership and housing through various partnerships and initiatives. (www.fanniemaefoundation.org)



The Annie E. Casey Foundation

