

**Executive Summary: Major Findings from the Report
“Affordable Housing Needs: A Report to Congress on the Significant
Need for Housing (Annual Compilation
of a Worst Case Housing Needs Survey)”**

Contributors

“Affordable Housing Needs: A Report to Congress on the Significant Need for Housing (Annual Compilation of a Worst Case Housing Needs Survey)” is a 2005 report of the U.S. Department of Housing and Urban Development. It was prepared under the overall supervision of the Assistant Secretary for Policy Development and Research (PD&R) Darlene Williams and her predecessor, Dennis Shea. The following analysts contributed to the report:

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Note to Readers

This paper largely duplicates the Executive Summary and one appendix from HUD’s report, originally published in December 2005. *Material added to enhance clarity is shown in italics.* The full report is at

<http://www.huduser.org/Publications/pdf/AffHsgNeedsRpt2003.pdf> .

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Abstract

Households with “worst case needs” for housing assistance are defined as unassisted renters with very low incomes (below 50 percent of area median income—AMI) who pay more than half of their income for housing or live in severely substandard housing. In 2003, 5.18 million very-low-income households in the United States had worst case needs. The proportion of American families that had worst case needs was 4.89 percent. In Federal law, “extremely low income” households have incomes below 30 percent of AMI. 77 percent of families with worst case needs have extremely low incomes; conversely, nearly two-thirds of extremely low-income renter households have worst case needs. 36 percent of households with worst case needs have children; 22 percent are elderly; 10 percent have non-elderly members with disabilities. Over half of households with worst case needs are non-Hispanic white. The number of Hispanic households with worst case needs rose from 2001 to 2003 by about 250,000 households; there was no comparable increase among non-Hispanic whites, and the number of black households with worst case needs fell in the same period by 110,000. Severe rent burden is the only priority housing problem for 91 percent of worst case needs households. The share living in severely substandard housing continues to fall. The proportion of households with worst case needs has been about 5 percent in most years since 1991, the year of the first worst case needs report. Very low-income renters are most likely to experience worst case needs if they live in the West or in the suburbs.

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In 1990, the U.S. Senate Appropriations Committee directed HUD to “resume the annual compilation of a worst case housing needs survey of the United States ... [to estimate] the number of families and individuals whose incomes fall 50 percent below an area’s median income, who either pay 50 percent or more of their monthly income for rent, or who live in substandard housing.”

Households with “worst case needs” are defined as unassisted renters with very low incomes (below 50 percent of area median income—AMI) who pay more than half of their income for housing or live in severely substandard housing.

This report is the ninth in a series of Worst Case Needs reports to Congress. *The authors gratefully acknowledge the foundational work of Katherine Nelson, a principal author of the first eight reports who recently retired from HUD’s Office of Policy Development and Research. Information from the Worst Case Needs reports has helped inform public policy decisions, including decisions on targeting of existing resources, the need for additional resources, and the form such assistance should take.*

The primary data source is the American Housing Survey (AHS), which is sponsored by HUD and conducted by the U.S. Census Bureau. The AHS is the only detailed periodic national housing survey in the United States. It provides nationally representative data on a wide range of housing subjects including apartments, single-family homes, mobile homes, vacant homes, family composition, income, housing and neighborhood quality, housing costs, equipment, fuel type, size of housing unit, and recent moves. National data are collected every two years from a sample of about 63,000 housing units. The survey, which started in 1973, has sampled the same housing units since 1985, while newly constructed units are also sampled to ensure both continuity and timeliness of the data. Estimates refer to 2003 AHS data unless otherwise noted.

The report is organized into four basic sections. Chapter 1 provides an introduction, including a discussion of terms and sources. Chapter 2 outlines the findings of worst case needs by various categories such as demographics and geography. Chapter 3 presents a new analysis using data from the Census Bureau’s Survey of Income and Program Participation to compare estimates of severe rent burden and examine the duration of those rent burdens. Chapter 4 assesses the supply of affordable rental housing.

Throughout this report, the following definitions of HUD income limits are used:

- Low Income (LI). Not more than 80 percent of area median income.
- Very Low Income (VLI). Not more than 50 percent of area median income.
- Extremely Low Income (ELI). Not more than 30 percent of area median income.

The Extent of Worst Case Needs

Finding 1. In 2003, 5.18 million very-low-income households in the United States have worst case needs. Between 2001 and 2003, there was a small increase in the number of households with worst case needs, but this difference was not statistically significant.

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The number of worst case needs is put into perspective by considering the fact that it is an indication of the extent of the need for rental housing assistance. About 4.5 million households currently receive deep rental assistance through HUD programs.

Finding 2. The proportion of American families that have these worst case needs is 4.89 percent. *This reflects substantial stability in the overall incidence of needs over the past decade.*

The Population with Worst Case Needs

Finding 3. The great majority (77 percent) of families with worst case needs are at the bottom end of the income scale, qualifying as extremely-low-income households because their incomes are below 30 percent of area median income.

Finding 4. Nearly two-thirds of extremely-low-income renter households have worst case needs. Over one-fifth of renter households with incomes between 30 and 50 percent of area median income have worst case needs, and fewer than 7 percent of renter households with incomes between 50 and 80 percent of area median income either experience severe rent burdens or live in severely inadequate housing.

Finding 5. More than one-third (36 percent) of households with worst case housing needs are families with children.

Finding 6. A substantial proportion of households with worst case needs experience these problems despite being fully employed. Of families with children that have worst case housing needs, 41 percent have earnings consistent with full-time year-long work at low wages. One-third (33 percent) of extremely-low-income renter households with children have earnings consistent with full-time work.

Finding 7. Elderly households with very low incomes are more likely than other family types with comparable incomes to have worst case needs. Elderly households make up 22 percent of the population with worst case needs.

Finding 8. Persons with disabilities have a greater likelihood of having worst case housing needs than other family types with very low incomes. About ten percent of households with worst case needs are families with non-elderly members with disabilities. More than one-third (36.4 percent) of very-low-income renter households that have non-elderly family members with disabilities also have worst case needs.

Finding 9. Of the 5.18 million households with worst case needs, 2.76 million are white non-Hispanic households, 1.04 million are black non-Hispanic households, and 1.04 million are Hispanic households.

The Character of Worst Case Needs

Finding 10. Severe rent burden, not severely inadequate housing, is the only priority housing problem for most (91 percent) households with worst case needs.

Finding 11. The share of very-low-income renters who live in severely inadequate housing declined from 4.6 percent in 2001 to 3.9 percent in 2003.¹

The Trend in Worst Case Needs

Finding 12. There were 5.20 million total households with worst case needs in 1995, 5.38 million in 1997, 4.86 million in 1999, 5.01 million in 2001, and 5.18 million in 2003.

Finding 13. The proportion of households with worst case needs has been about 5 percent in most years since 1991, the year of the first worst case needs report. As a proportion of all U.S. households, those with worst case needs were 4.73 percent, 4.76 percent, and 4.89 percent in 1999, 2001 and 2003, respectively.

Finding 14. The number of Hispanic households with worst case needs rose from 2001 to 2003 by about 250,000 households, roughly in parallel with overall dramatic growth of Hispanic very-low-income renters during those two years. There was no comparable increase in the number of non-Hispanic white households with worst case needs. The number of non-Hispanic black households with worst case needs decreased by 110,000.

The Geography of Worst Case Needs

Finding 15. All regions of the country share in worst case needs, with over 30 percent of very-low-income renters in each region—the Northeast, Midwest, West and South—experiencing worst case needs. Very-low-income renters in the West are less likely to receive housing assistance (24 percent), and more likely to experience worst case housing needs (38 percent).

Finding 16. Central city, suburban, and rural areas of the country all have significant numbers of worst case needs. Over one-third of very-low-income renters in both central cities and suburbs have worst case needs and in rural areas the proportion is approximately one-fourth. Very-low-income renters are less likely to receive housing assistance (24 percent) and more likely to experience worst case needs (36 percent) if they live in suburbs.

The Duration of Rent Burden

As discussed above, this report contains a section with a new analysis relying on data from the Census Bureau's Survey of Income and Program Participation.

Finding 17. Among very-low-income renters who reported a severe rent burden in 2001, close to half (47.1 percent) continued to have a severe rent burden in 2002, 10.2 percent had a rent burden between 40 and 50 percent of income and 8.5 percent received housing assistance in the second year (and thus would not be counted in the definition of worst case needs).

¹ *This entry is a correction of Finding 11 in the published report; "The share of households with worst case needs who live in severely inadequate housing declined from 4.6 percent in 2001 to 3.9 percent in 2003," which contradicts Finding 10.*

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Of the remaining group, 12.7 percent had a rent burden between 30 and 40 percent of income, 15.2 percent saw their rent burden drop below 30 percent of income and 6.4 percent moved to owner-occupied housing (thus removing them from the population with worst case needs, which by definition only includes renters).

The data also show a large number of very-low-income renters that did not have a severe rent burden in 2001 but did have such a burden in 2002. These include: 829,000 renters who had a rent burden of 40–50 percent of their income for rent in 2001; 808,000 who had previously received government housing assistance in 2001; and 1,365,000 who had either paid 30–40 percent of income for rent (597,000) or less than 30 percent of income for rent (768,000) in 2001.

Availability of Affordable Rental Housing and Worst Case Needs

In addition to examining the experiences of renters, their incomes and the amounts they pay in rent, this report also looks at the availability of affordable rental housing and how these supply issues may affect worst case needs. For purposes of this section, “affordable units” are those rental units that households at various income levels (VLI and ELI) can afford based on 30 percent of their income. “Available units” are those units affordable to these income groups that either become vacant or are actually occupied by families at those income levels (that is, they are not occupied by higher income families). Units are considered “not available” to lower income families if they either are not affordable, or are affordable but are currently occupied by higher income families.

Finding 18. There continues to be a shortage of affordable housing that is available to very-low-income and, more significantly, extremely-low-income renters. In 2003, there were 78 rental units affordable to extremely-low-income renters for every 100 such households, but only 44 were available for these households (the remainder being occupied by higher-income households).

Housing Problems Not Counted in Worst Case Needs

The definition of worst case needs excludes many persons with serious housing needs. The homeless are omitted from estimates of worst case needs in this and earlier reports because the American Housing Survey counts only persons in housing units.² In addition, families experiencing overcrowding (defined as more than one person per room) are not counted as having worst case needs, in part because of a lack of clear evidence that crowding consistently poses a hardship. Despite these limitations, some findings on crowding are presented based on data from the American Housing Survey.

Finding 19. Five percent of renter households experience crowding. This level shows little change from previous reports.

Finding 20. Certain populations have more crowding than the national average: 8 percent of renter households in the West and 44 percent of renter households with five or more persons. Even among very-low-income Hispanic households with no severe housing problems, 35 percent are overcrowded.

² HUD is assessing the potential of supplementing future estimates of worst case needs with estimates of persons who experience homelessness from local Homeless Management Information Systems.

Comparative Estimates and Issues of Interpretation

HUD's Office of Policy Development and Research (PD&R) notes that the Joint Center for Housing Studies recently issued a report, *The State of the Nation's Housing: 2005* that found a substantial increase in the number and incidence of low-income renter families with a severe housing cost burden between 2000 and 2003. The Joint Center relied on the American Community Survey (ACS) rather than the AHS. As explained in Appendix C of this report, expanding the Joint Center/ACS analysis to cover the years 2001–2003 also shows a significant increase in families with a severe housing burden. The causes of the difference between this estimate and the AHS-based estimates in this report are believed to include differences in survey methodology between the ACS and the AHS. However, not all the causal factors are known. The ACS estimates and differences between the ACS and the AHS are discussed in more detail in Appendix C.

The above discussion highlights the complexities inherent in an analysis of this nature. Appendix D discusses issues to consider when interpreting the findings of this report and developing policy responses to the need for affordable housing.

Appendix B. Concepts and Methodology Used to Estimate Worst Case Needs

To accurately estimate worst case needs for federal rental assistance from American Housing Survey (AHS) data, it is essential to determine whether household incomes fall below HUD's official very-low-income limits (50 percent of HUD-adjusted area median family income (HAMFI, also termed AMI)), whether a household already receives housing assistance, and whether an unassisted income-eligible household has one or more of the priority problems that formerly conferred preference in tenant selection for assistance (rent burdens exceeding 50 percent of income, substandard housing, or being involuntarily displaced).

This appendix discusses the essential concepts and methods used to produce estimates and tabulations of worst case needs using 2001 and 2003 AHS microdata. The discussion also highlights limitations of the data and issues relating to the consistency of estimates in this report with those in previous reports on worst case needs.

Household and Family Types

Family—The “families” eligible for HUD rental assistance programs have traditionally included households with relatives, households with children, elderly single persons age 62 or older, and single persons with disabilities. The Cranston-Gonzalez National Affordable Housing Act of 1990 broadened the statutory definition of “family” in a way that makes all households eligible, including households comprising only nonelderly singles living alone or with other unrelated singles. In this report, however, the term “family” refers only to “family households” in which one or more persons in the household are related to the householder by birth, marriage, or adoption.

Families with children—Households with a child under age 18 present.

Elderly—Household in which the householder or spouse is age 62 or older, and no children are present.

Other families—Households with a nonelderly householder and no children in which at least one person is related to the householder by birth, marriage, or adoption; or with subfamilies whose members are related to each other by birth, marriage, or adoption.

Nonfamily households—Households with a single nonelderly person living alone or only with non-relatives.

Households having adult members with disabilities—This category conceptually ought to include all nonelderly households with adults with significant physical or mental disabilities. Unfortunately, no available data source counts these households perfectly. The AHS proxy used in previous reports was an underestimate because it counted only non-elderly single persons living alone or with non-relatives who report receiving Supplemental Security Income (SSI) income.

Based on research with the 1995 AHS supplement on physical disabilities, this report uses an expanded proxy. HUD program data suggest that this expanded proxy likewise undercounts disabled households, as the program data show appreciably more households

(without children) having members with disabilities receiving rental assistance.³ These issues are discussed extensively in the previous worst case needs report (HUD 2003, A-46). The SIPP data presented in Chapter 3 of this report measure disability directly, and estimates of non-elderly households with disabilities produced with the SIPP data are similar to estimates produced with the AHS.

Housing Problems

Rent or cost burden—A ratio between housing costs (including utilities) and household income that exceeds 30 percent, which is a conventional standard for housing affordability. To the extent that respondents underreport total income, the AHS estimates may overcount the number of households with cost burden. A “severe” cost burden exceeds 50 percent of reported income. A “moderate” cost burden exceeds 30 percent but is less than or equal to 50 percent of reported income. Cost burdens only qualify as potential worst case needs if they are severe rent burdens. Households reporting zero or negative income are defined as having no cost burden.

Inadequate housing—Housing with severe or moderate physical problems, as defined in the AHS since 1984.⁴ Severe inadequacies constitute potential worst case needs but moderate inadequacies do not. Briefly, a unit is defined as having severe physical inadequacies if it has any one of the following five problems:

- *Plumbing.* Lacking piped hot water or a flush toilet or lacking both bathtub and shower, all for the exclusive use of the unit.
- *Heating.* Having been uncomfortably cold last winter for 24 hours or more, or three times for at least six hours each, due to broken-down heating equipment.
- *Electrical.* Having no electricity or having all of the following three electrical problems: exposed wiring, a room with no working wall outlet, and three blown fuses or tripped circuit breakers in the last 90 days.
- *Upkeep.* Having any five of the following six maintenance problems: leaks from outdoors, leaks from indoors, holes in the floor, holes or open cracks in the walls or ceilings, more than a square foot of peeling paint or plaster, or rats in the last 90 days.
- *Hallways.* Having all of the following four problems in public areas: no working light fixtures, loose or missing steps, loose or missing railings, and no elevator.

A unit has moderate inadequacies if it has any of the following five problems, but none of the severe problems:

³ Social Security Administration (SSA) data on SSI recipients who are blind or have other disabilities provide a basis for making more complete estimates of the number of very-low-income renters with SSI income who receive HUD assistance or have a severe rent burden. But even the SSA data are incomplete because they exclude very-low-income persons with disabilities who have incomes above SSI cutoffs. HUD (2001) estimated that 1.1 million worst case households included persons with disabilities. This estimate was made by increasing the AHS expanded proxy estimates to account for both known sources of undercount.

⁴ The AHS rates housing units using a three-level measure: adequate, moderately inadequate, and severely inadequate. The questions underlying definitions of inadequate housing were changed in the 1997 AHS questionnaire to improve accuracy. For detail, see the entry for the variable ZADEQ in the *Codebook for the American Housing Survey, Public Use File: 1997 and Later*. The most recent version is available for download at <http://www.huduser.org/datasets/ahs/ahsprev.html>.

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Plumbing. Having all toilets break down simultaneously at least three times in the last three months for at least three hours each time.

- *Heating.* Having unvented gas, oil, or kerosene heaters as the main source of heat (because these heaters may produce unsafe fumes and unhealthy levels of moisture).
- *Upkeep.* Having any three of the six upkeep problems mentioned under severe inadequacies.
- *Hallways.* Having any three of the four hallway problems mentioned under severe inadequacies.
- *Kitchen.* Lacking a sink, range, or refrigerator for the exclusive use of the unit.

Overcrowding—The condition of having more than one person per room in a residence. Overcrowding is not counted as a severe problem that constitutes a potential worst case need.

“Priority” problems—Problems qualifying for federal preference in admission to assisted housing programs between 1988 and 1996: paying more than one-half of income for rent (severe rent burden), living in severely substandard housing (including being homeless or in a homeless shelter), or being involuntarily displaced. Because the AHS sample tracks housing units and thus cannot count the homeless, AHS estimates of priority problems are limited to the two severe problems described above: severe rent burdens greater than 50 percent of income or severe physical problems.

It should be noted that because the primary intention conventionally has been to estimate the number of unassisted very-low-income renters with priority problems, a number of tables in Appendix A classify households who have moderate problems in combination with severe problems as having severe problems.

Income

Income sources—Income means gross income reported by AHS respondents for the 12 months preceding the interview. It includes amounts reported for wage and salary income, net self-employment income, Social Security or railroad retirement income, public assistance or welfare payments, and all other money income, prior to deductions for taxes or any other purpose. Imputed income from equity is not included as income in this report. Following HUD rules for determining income eligibility for HUD programs, the earnings of teenagers aged 17 years and younger are not counted as income for this report.

Comparison to independent sources of data on total household income in 1983 suggests that AHS respondents underreport income by some 10 to 15 percent, with income from interest and dividends most likely to be underreported. Susin (2003) also found, in a comparison of the 1999 AHS with the Current Population Survey, that average household income is 9 percent lower, family earnings are about the same, and non-wage income is 32 percent lower in the AHS.

Supplemental and in-kind income sources—Beginning with the 1999 AHS, poorer renters with high rent burdens were asked several new questions about whether persons outside the household contributed to household expenses such as rent, food, and child care. The supplemental questions were asked of assisted renters who paid more than

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35 percent of their reported income for rent, and of unassisted renters with household income below \$10,000 who paid more than 50 percent of their income for rent.

When they were asked these additional questions at the end of the interview, a small number of renters corrected their earlier income and/or rent responses in the 1999 AHS. Analysis by the Census Bureau shows that respondents representing at most 250,000 unassisted very-low-income renters changed either their income or rent responses in ways that would tend to reduce their rent burden. Although the revised responses should provide more accurate estimates of worst case needs, the results would not be directly comparable to earlier worst case estimates. The previous worst case needs report (HUD 2003) assumed that all of the 250,000 renters changing their responses in 1999 would otherwise have had severe rent burdens. The estimates in this report likewise are based on original rather than revised survey responses.

Family income—Reported income from all sources for the householder (the first household member 18 years or older who is listed as an owner or renter of the housing unit) and other household members related to the householder.

Household income—Reported income from all sources for all household members 18 or older.

Income Categories

HUD-adjusted area median family income (HAMFI) and official income limits—HUD is required by law to set income limits each year that determine the eligibility of applicants for assisted housing programs. In 1974, Congress defined “low income” and “very low income” for HUD rental programs as incomes not exceeding 80 and 50 percent, respectively, of the area median family income, as adjusted by HUD.⁵

It should be noted that income limits are based on median *family* income, not median household income. Each base income cutoff is assumed to apply to a household of four, and official income limits are further adjusted by household size: one person, 70 percent of base; two persons, 80 percent; three persons, 90 percent; five persons, 108 percent; six persons, 116 percent; and so on.

Statutory adjustments to official income limits in 1999 included upper caps and lower floors for areas with low or high ratios of housing costs to income and, for each nonmetropolitan county, a lower floor equal to its state’s nonmetropolitan average. These statutory adjustments do not apply for 2001 and 2003.

Income cutoffs for AHS geography—To categorize households in relation to “local” income limits as accurately as possible within the limitations of the geography given on the AHS public use files, HUD compares household incomes to area income limits. Very-low- and low-income cutoffs for a household of four are defined for each unit of geography identified on the AHS national microdata tapes. For housing units outside these metropolitan areas, the AHS geography identifies only four regions, metropolitan status, and six climate zones. Average income limits were estimated for each of these 48 locations, weighting by population based on the decennial census.

⁵ See HUD (2005b) for a description of current adjustments.

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Because developing estimates of official income limits for the geography identified on the AHS microdata is time-consuming, HUD has prepared income limits to use with AHS geography only for four years: 1978, 1986, 1995, and 2003.⁶ AHS estimates for other years have used these limits adjusted for inflation rather than the official income limits.

Income cutoffs used to produce 2001 estimates in this report are based on 1995 income limits, weighted by 1990 census data, and adjusted for inflation by the CPI-U as well by the factor by which average income exceeded inflation over this period, 1.1238. Income cutoffs used for 2003 estimates are based on 2003 official income limits weighted by 2000 census data.

Categorizing households by income—For this report, when households are categorized using the very-low- and low-income cutoffs, the cutoffs are adjusted for household size using the same adjustment factors used by HUD programs.

In addition, households reporting negative income are attributed incomes just above the area median income if their monthly housing costs exceed the Fair Market Rent and they lived in adequate and uncrowded housing. The justification for imputing higher incomes is that many households in this situation live in housing with amenities such as dining rooms, balconies, and off-the-street parking and thus may be reporting temporary accounting losses.

For housing needs estimates using AHS data since 1985, HUD has classified households with incomes above median income by comparing their income to the actual median family income for the location, rather than to 80 percent of the low-income cutoff, as was the only approach possible for estimates made through 1983.

- **Extremely low income**—Income not in excess of 30 percent of HAMFI. In 2003, 15 percent of AHS households reported income below 30 percent of HAMFI.
- **Very low income**—Income not in excess of 50 percent of HAMFI. Very low income thus includes extremely low income, although the term sometimes is used loosely in specific contexts, such as mismatch analysis, to mean incomes between 30 and 50 percent of HAMFI. In 2003, 28 percent of AHS households reported income below the very-low-income cutoffs.
- **Low income**—Reported income not in excess of 80 percent of HAMFI or, if lower, the national median family income. In 2003, 47 percent of AHS households reported incomes that fell below the low-income cutoffs.
- **Poor**—Household income below the national poverty cutoffs for the United States for that household size. (As discussed in Appendix A of the Census Bureau’s AHS publications, AHS poverty estimates differ from official poverty estimates made from the Current Population Survey. AHS poverty estimates are based on income of households rather than income of families or individuals, and AHS income questions are much less detailed and refer to income during the past 12 months rather than a fixed period.) The poverty cutoff for a family of four approximates 33 percent of HAMFI. In 2003, 49 percent of very-low-income households and 79 percent of extremely-low-income households were poor.

⁶ For each of these years, HUD revised income limits for all locations in the country based on income data from the most recent decennial Census of Population and Housing.

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- **Middle income**—For this report, incomes above 80 percent and below 120 percent of HAMFI. In 2003, 19 percent of AHS households were in this category.
- **Upper income**—For this report, households with income above 120 percent of HAMFI. In 2003, 34 percent of households were in this category.

Housing Assistance Status

In 1997 the AHS questions intended to identify households receiving rental assistance were changed in both content and order from those used earlier. After careful review, HUD and the Census Bureau adopted the following procedure to identify assisted units in a way that produces results that are more comparable to pre-1997 data.

- Units are “owned by a public housing authority” if the respondent answers yes to “Is the building owned by a public housing authority?”
- Units receive “government subsidy” if the respondent was assigned to that unit or answers yes that “a public housing authority, or some similar agency, [gave them] a certificate or voucher to help pay the rent for the unit.”
- Units are identified as “other, income verification” units if the respondent answers yes to “As part of your rental agreement do you need to answer questions about your income whenever your lease is up for renewal?” and, as a follow-up says that they report their income to either “a building manager or landlord” or “a public housing authority or a state or local housing agency.”
- Units are included if the respondent answers “yes” to “Does the state or local government pay some of the cost of the unit?”
- Units are included if the respondent answers yes to one of the three questions: “Is the building owned by a public housing authority? Does the federal government pay some of the cost of the unit? Do the people living here have to report the household’s income to someone every year so they can set the rent?”

Location

Metropolitan Statistical Area—From 1973 to 1983, the definitions of metropolitan location in Annual Housing Survey data corresponded to the 243 Standard Metropolitan Statistical Areas used in the 1970 census. Since 1984, metropolitan location in the AHS has referred to the MSAs defined in 1983, based on the 1980 census.

Region—The four census regions are the Northeast, Midwest, South, and West.

Race and Ethnicity

For 2003, the American Housing Survey used revised Census Bureau categories of race and ethnicity that are not directly comparable with the 2001 and earlier AHS. Survey respondents in 2003 were allowed to select more than one racial group, causing slight but significant decreases in the size of previously monolithic categories.

Worst Case Needs for Rental Assistance

Unassisted very-low-income renters with the priority housing problems that formerly gave them preference for admission to federal rental assistance programs. Because AHS questions do not distinguish federal from state or local assistance, assisted renters include those with state or local assistance.

Weighting the AHS

Because the AHS is based on a sample of housing units rather than a census of all housing units, estimates based on the data must be weighted up so that totals for each year match independent estimates of the total housing stock. The AHS weights used in this report for 2001 and 2003 AHS data are based on the 2000 Census of Housing, which the Census Bureau began using for weighting the AHS in 2003. The Bureau determines 2000-based AHS weights from independent estimates (control totals) based on the Census 2000 with an estimate of change since then.⁷ Estimates of worst case needs in 2001 in this report differ from those that HUD previously published because they were based on 1990 Census weights (see HUD 2003).⁸

⁷ For information on weighting, see “American Housing Survey for the United States: 2003,” Series H150/03, Housing and Household Economic Statistics Division, U.S. Census Bureau. http://www.census.gov/hhes/www/housing/ahs/ahs01_2000wts/ahs01_2000wts.html.

⁸ In addition to different weights, HUD has determined that 2001 estimates of worst case needs published in the 2003 report also were affected by failure to exclude, consistent with historical practice, households with zero or negative incomes.

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